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COLONIZATION

OF

SOUTH AUSTRALIA.

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By R. TORRENS, Esq., F.R.S.

CHAIRMAN OF THE COLONIZATION COMMISSION FOR SOUTH AUSTRALIA.

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TO

THE RIGHT HONOURABLE

THOMAS SPRING RICE,

WHO, IN GIVING,

AS HIS MAJESTY'S PRINCIPAL SECRETARY OF STATE FOR THE COLONIES,

PROMPT AND EFFECTUAL SANCTION AND SUPPORT

TO THE

ACT OF PARLIAMENT

FOR ERECTING

SOUTH AUSTRALIA INTO A BRITISH PROVINCE,

HAS SECURED FOR HIS COUNTRY

BENEFITS INCALCULABLE,

AND

BUILT A NATION FOR HIS MONUMENT,

THE FOLLOWING PAGES

ARE INSCRIBED.

PREFACE.

THE plan upon which the New British Province of South Australia is to be colonized, has received the sanction of some of the most distinguished statesmen of the day. To Lord Howick belongs the honour of having been the first to give practical operation to the principle of selling the colonial lands at the disposal of the Crown; and of employing the proceeds of the sale in conveying voluntary emigrants to the Colonies. Seconded by the enlarged views and accurate science of Mr. John Shaw Lefevre, Lord Stanley, as Secretary of State for the Colonies, proposed to bring in a Bill for the Colonization of South Australia, upon this principle. Mr. Spring Rice, on succeeding to the Colonial Department, took up the plan with his characteristic promptitude and intelligence; and the Bill for erecting South Australia into a British Province,

passed the House of Commons with his sanction and support. It passed through the House of Lords under the shield of the Duke of Wellington; and it received the Royal Assent on the last day of the last Session of Parliament.

On the change of Government, Lord Aberdeen declared his intention of carrying the Act of Parliament into effect, and Mr. Hay applied his long experience and great talents for business, in removing the practical difficulties which interposed. Another change of Government created no delay; and the first public act of Lord Glenelg, as Secretary of State for the Colonies, was to gazette the Colonization Commissioners for South Australia.

The work now offered to the public, upon the scheme of Colonization, thus sanctioned and adopted, is divided into two parts. In the First Part, the Author has endeavoured to state the objects, for the attainment of which the New Colony is established;—to explain the principles upon which its formation will proceed;—to answer objections;—and to make known the agricultural and commercial capabilities of

Southern Australia, and its relative advantages as compared with those of other British Colonies. In the Second Part, he has attempted to trace out the effects which extensive and systematic Colonization is calculated to produce upon the manufactures, the commerce, and the agriculture of the United Kingdom.

The art of Colonization is based upon the science of wealth; and the rules of the art are principles of the science practically applied. In replying to objections, and in explaining the plan, and in unfolding the prospects, of the New Colony, the Author was naturally, and indeed, necessarily, led into discussions upon some of the fundamental doctrines of Political Economy. In some of these discussions, as it is believed, new, and not unimportant views have been opened. The Author has not, however, aimed at originality; he has only sought to ascertain, and to establish truth. In works professing to convey useful knowledge, truth, and not originality, is the one thing needful. Imagination creates; reason combines. The splendours of art are the emanations of individual intellect; the illu-

mination of science is formed by the converging lights of many minds. Those who are most competent to judge, will be the least likely to object, that the Author has built upon foundations laid by other hands, and that he has availed himself of valuable materials, wheresoever found. The intelligent reader, who is conversant with the latest improvements in economical science, will perceive that, on many occasions, the Author has done little more than follow out the principles of Senior, Chalmers, Pennington, Scrope, Longfield, and the Author of England and America.

Some apology may be due to the reader for the tone in which the controversy with the Westminster Reviewer has been conducted. Forgetting that he was not himself without sin, the Reviewer threw the first stone. An unprovoked aggressor, he challenged to the combat, making choice of weapons not sanctioned by the laws of philosophic warfare. If he has been pierced by a poisoned arrow, it was his own hand that envenomed the shaft.

London, May 27, 1835.

CONTENTS.

PART I.

LETTER TO JOHN CRAWFURD, ESQ. IN REPLY TO THE OBJECTIONS OF THE WESTMINSTER REVIEW.

PAGE

Statement of the object which the supporters of the New Colony seek to accomplish. This object it has not entered into the heart of the Reviewer to conceive. 4

The Reviewer is incapable of comprehending the principles of Colonization intended to be acted upon in establishing the new British Province.—These principles explained. 8

The Reviewer has read Ricardo, without being able to understand him. . . . 22

PAGE

I. *On the effect of Co-operation in increasing the productive powers of Industry.*—II. *Want of combined labour upon the Land, the cause of the poverty of Ireland.* . 35

In the New Colony Combination of Labour will occasion both high profits and high wages. 45

Statement of the Principles which should determine the Price demanded for Waste Land in New Colonies.—The Reviewer ignorant of these Principles. . . 52

I. *The Reviewer's Mathematics.*—II. *Extraordinary advantage to be realized by the early purchase of Land in the New Colony.* 70

Rapid prosperity of the New Colony as proved by the Reviewer. Financial arrangements. Exemption from Taxation. The Reviewer answers himself; misstates facts, and mis-calculates figures . 94

Soil of South Australia. Agricultural capabilities of the New British Province. 120

Commercial prospects of South Australia. Comparative capabilities of Australia and

PAGE

of Canada. Principle which regulates the value, in relation to each other, of commodities produced in different countries. . 148

Commercial prospects of South Australia. Superior facilities for producing Articles extensively demanded in Foreign Markets. Perseverance of the Reviewer in knocking his head against Facts. He pickles himself in the Salt of Kangaroo Island, and quarrels with Crawfurd. 174

Superior commercial capabilities of Australia exemplified by comparing the actual imports and exports of the Australian colonies with those of other countries. . . 218

PART II.

ON THE INFLUENCE OF EXTENSIVE AND SYSTEMATIC COLONISATION UPON THE WEALTH AND PROSPERITY OF THE MOTHER COUNTRY.

PAGE

Economical objection to the planting of Colonies stated and answered. . . 229

Home Colonization, as a means of increasing employment, and preventing the decline of profits and of wages 249

I. *In a manufacturing Country, depending upon foreign markets, abstracting Labour and Capital, for the purpose of planting Colonies, increases the quantities of Labour and Capital which can be employed at home.*—II. *Effects of extensive Colonization upon Manufactures and Commerce* 262

PAGE

Effect of extended Colonization upon the agriculture of the United Kingdom . 271

Effect of Prices upon Agriculture . . 285

APPENDIX, I.

An Act to empower His Majesty to erect South Australia into a British Province or Provinces, and to provide for the Colonization and Government thereof . . . iii

APPENDIX, II.

Two Letters to the Editor of the Morning Chronicle xiv

COLONIZATION OF AUSTRALIA.

PART I.

LETTER TO JOHN CRAWFURD, ESQ. IN REPLY TO THE OBJECTIONS OF THE WESTMINSTER REVIEW.

SIR,

I HAVE read with attention the article, "*New South Australian Colony*," in No. XLII. of the *Westminster Review*. It is not improbable that this article may have met your eye also; and it is known that you take a deep interest in the transactions of Europeans in the Eastern Seas. I am therefore desirous of stating to you, in this public manner, my reasons for believing that the Reviewer is incompetent to form an adequate conception of the objects, which the supporters of the new colony seek to accomplish; that he does not comprehend the principles, upon which they propose to proceed; that he has read the works of Mr. Ricardo, without being able to understand them; and that he miscalculates figures, mis-states facts, and draws inconsistent and contradictory conclusions.

You are qualified, in a peculiar manner, to judge between the promoters of the new colony and the Reviewer. You are practically acquainted with the modes of proceeding which cause new settle-

ments to fail; and by reasoning from contraries, you can readily ascertain the modes of proceeding by which their prosperity may be secured. Opposite causes produce opposite effects; and if I can show, to your full satisfaction, that the principles adopted by the supporters of the New Australian Colony are, in every respect, the reverse of those, which led to the repeated failure of your own colonizing projects, you will concur in the conclusion, that, instead of deserving the condemnation, which the Reviewer has ignorantly pronounced, they merit the praise awarded to the prudent mariner, who avoids the rocks, upon which preceding navigators have been wrecked.

Before proceeding to a discussion of the principal points at issue, I beg to present you with a preliminary, and curious specimen of the manner in which the Reviewer deals with facts. He makes the following statement respecting the plan of the New Colony, as originally proposed. "The project, when it was first broached, in "1831, had the form of a Joint Stock Company, "who were to have received from the Crown "the grant of some millions of acres in South "Australia, to be sold for their own benefit, and "that of their country." This statement is grossly incorrect. The company did not ask for a grant of land of some millions of acres; they did not ask for the grant of one single acre. They proposed to *buy* land of the Crown, not to sell land, which they had obtained for nothing.

They proposed to pay to the Crown for 500,000 acres of land the sum of 125,000*l.*, or 5*s.* per acre;—the price which the Government had itself previously fixed for waste land in the Australian Colonies.

Again: The Reviewer asserts, that the extent of the colony is nine degrees of longitude, and thirteen of latitude. The Act of Parliament, by which South Australia is erected into a British Province, limits the New Colony to "that part "of Australia which lies between the meridians "of the one hundred and thirty-second, and one "hundred and forty-first degrees of east longi- "tude, and between the Southern Ocean and "the twenty-sixth degree of south latitude." Had the Reviewer read the Act of Parliament, and inspected the map of Australia, he would have seen that the South coast of Kangaroo Island is in the thirty-sixth degree of south latitude, and that the colony extends, not through thirteen, but only through ten, degrees of latitude. An error, in dimension, of three degrees of latitude by nine of longitude, or 97,000 square miles, even though it should be regarded as of trivial import in itself, is yet of importance, as proving one of two things:—Either that the Reviewer knowingly and wilfully perverts the truth; or else that, writing at random, and in ignorance, he makes assertions without thought or inquiry, and cannot be trusted, when he deals with facts. I leave you to determine,

from which of these sources the error now noticed may have sprung, and proceed to the consideration of the Reviewer's graver delinquencies.

Statement of the object which the supporters of the New Colony seek to accomplish. This object it has not entered into the heart of the Reviewer to conceive.

The object of the gentlemen who have associated for the purpose of establishing a British province in South Australia, is to render the industrious class in the United Kingdom, as prosperous, and as satisfied as they are in the United States of North America. In the United States, wealth and population increase with a rapidity unparalleled and unknown in old countries; and in the United States, the field of employment for the accumulating wealth, and the multiplying people, continues to be so expansive and so ample, that profits and wages remain high; that throughout the Union every working man, with industry and frugality, may speedily become a capitalist and a landed proprietor. In England, the picture is reversed. Here, though wealth and population increase less rapidly than in America, they yet increase more rapidly than the field of employment. The capitalists, who engage in agriculture or in trade, generally obtain low profits, and frequently suffer loss; and so large a proportion of the labouring classes are compelled to resort to parochial aid, that a panic has arisen lest the

poor's-rate, should absorb the whole revenue of the land.*

Why is the condition of the working classes in the United Kingdom thus inferior to their condition in the United States? In England, the productive powers of industry are greater than in America; the land is better cultivated, and yields more abundant crops; and, in all the branches of manufacture, labour, and capital, and mechanical power, are more extensively, more skilfully, and more effectually applied. To what fatal and counteracting cause, therefore, is it owing, that the industry, which is the most productive, is the worst rewarded? The supporters of the New Colony believe, that this counteracting cause may be discovered, and may be removed. They believe that ample means exist, for rendering the condition of the people of England equal to that of the people of the United States. Their object, therefore, is to apply these means to this end; to try, on an extended scale, and with what to them appears a high probability of success, a great moral and economical experiment, in order to ascertain whether it be not as practicable in the British dominions, as it is in the United States, to cause the field of employment to extend, in proportion to the increase of wealth and popula-

* See "England and America," for a powerful and graphic description of the condition of the middle and working classes in England.

tion, and thus to secure to industry an ample and a bountiful reward.

The main causes, which render the reward of industry so much higher in America than in England, are these:—In America, when accumulating capital and increasing population press beyond the limits of employment, and begin to depress wages and profits in the Old States, labour and capital pour themselves out upon the unoccupied lands of the western territory; while in England, when capital and labour increase, a proportional increase of fertile land, from which to derive subsistence, cannot be obtained; employment becomes scarce, and profits and wages low. Now England, in her colonies, possesses as great an extent of fertile and unoccupied lands as is possessed by the United States; and if these colonial lands were made available to British enterprise, the main cause which renders the condition of the industrious classes less prosperous in England than in America would be removed. Wherefore, then, are they not available? Why do not the labourers and capitalists of England derive the same advantage from the unoccupied lands of the colonies, which the labourers and capitalists of America derive from the unoccupied lands of the western forest? For this simple, this obvious reason:—The unoccupied lands of England lie beyond the sea. In America, when employment fails in the eastern states, the labourer can cross the forest, and settle in the western territory; but in England, when employ-

ment fails at home, the labourer cannot cross the ocean, and settle in another hemisphere.

Thus it appears that the immediate cause which renders the condition of the productive classes less happy in England than in the United States, is to be found in the difficulty of establishing between the sea-divided dominions of England that free circulation of labour and capital, which exists between the eastern and western states of the American Union. This difficulty the supporters of the new Colony in South Australia propose to remove. Should their application of the principles of colonisation to this extensive district prove successful, the effect will be to bring our most distant colonial possessions into juxtaposition with the United Kingdom, and to open to increasing capital and labour a field of employment so boundless, that profits and wages may be raised to a height never before attained, and the condition of the productive classes be rendered more independent and prosperous in England than it ever yet has been, even in the United States of North America.

Such are the objects sought, and such the expectations entertained, by those who promote the colonisation of South Australia. For pursuing these objects, and cherishing these expectations, the Reviewer styles them "compurgators," "meddlers," and "schemers;" and endeavours to hold them up to public odium, as the advocates of feudal vassalage and slavery. The poisoned chalice turns to his own lips. He has proved either that he does not

understand, or that he cannot feel. As we proceed, you will perceive that his elaborate article contains conclusive internal evidence, that there belongs to its author an intellectual contraction, and a moral obtuseness, which renders him incapable of comprehending and appreciating an enlarged and benevolent design for the improvement of mankind. Such a design as it has not entered into his heart to conceive,

The Reviewer is incapable of comprehending the principles of Colonisation intended to be acted upon in establishing the new British Province.—These principles explained.

The national property in waste lands acquires value in proportion as capital and labour are applied to it. The Governments of England have hitherto squandered the national property, thus capable of acquiring value, in a manner the most lavish and corrupt. The general and state governments of the American Union have dealt with the national property in a different way; they have offered the waste lands to public sale at a fixed *minimum* price; and by this method of disposing of them, have realised considerable revenues. The New Colony is to be established upon the principles, that waste land acquires value as labour and capital are applied to it; and that, by the American mode of disposing of it, a constantly increasing emigration fund may be realized. For the attainment of these objects, all the waste land of the Province is declared to be

public property; it is to be offered for sale, at a fixed minimum price, to such capitalists as may choose to purchase it; and it is stipulated that the whole of the purchase-money which they advance shall be employed in conveying young and able-bodied labourers to the colony. By the adoption of these simple principles, capital and labour will be applied to the lands of the New Province in such proportion as will give them most value, and render them most productive; while the revenue arising from their sale, will render the new settlement, what the first British settlements in North America were, a self-supporting colony entailing no expense upon the mother country.

Though the Reviewer's incapacity to form an adequate conception of the objects contemplated in the formation of the new colony will have led you to make no very high estimate of his intellectual powers; yet you will be scarcely prepared to find him so utterly void of understanding, as at one and the same time to affirm and to deny, to approve and to condemn, the principles upon which the new colony is to be founded. Yet this is actually the case. The Reviewer states that "The land of an almost boundless colony, "like the territory of Southern Australia, it is "almost needless to say, is of no more value as "property than the waters of the Pacific which "wash its shores. It acquires value only from "the capital invested in its improvement; and as "capital and population advance, the value rises, "and always in proportion to their amount."

Upon the question of the greatest importance in the establishment of new colonies, namely, the disposal of waste land, the Reviewer says, "Under "a popular government, amenable to public opi- "nion, there are many means of preventing the "misappropriation of land; but probably the "practice followed by the United States, and "now imperfectly imitated by ourselves, is upon "the whole the best."

In these passages the Reviewer distinctly affirms and approves the principles upon which the new colony is to be established. His inconsistency is unparalleled. The promoters of the new colony propose to dispose of the public land, in the manner which the Reviewer declares to be the best; and they further propose to apply the revenue obtained by this disposal of such land, in a way which, upon his own showing, is calculated to give value to the waste. To this disposal of public land in a manner which he declares to be the best, he is virulently opposed; and the plan for conferring value on the unreclaimed forest, by the means which he pronounces most effectual, he styles, in language suitable to his intellectual grade, "a botchery fit for a bench of Justices." You will at once perceive that the Reviewer has not the faculty of forming distinct ideas, and that his vagrant notions are merely

> "Such as take lodgings in a head
> That's to be let unfurnished."

When, in conformity with acknowledged and incontrovertible principles, which the Reviewer

himself expressly affirms and approves, it is proposed to confer value on the territory of South Australia by selling the public lands to capitalists, upon the condition of employing the proceeds of the sale in supplying them with the quantity of labour, requisite to cultivate the waste in the most profitable manner, the Reviewer charges the supporters of this mode of colonisation with an arbitrary interference with the disposal of capital and labour. He says, "The authors of the project "think themselves called upon to regulate, by "arbitrary interference, the proportions of capital, "labour, and land. Whereas it has been, in all "well-regulated societies, a maxim of political "wisdom, to let the two first at least regulate "themselves, and all meddling with them has "been deemed vicious and absurd."

Had the Reviewer taken the pains to make himself acquainted, even in the slightest degree, with the manner in which the authors and supporters of the plan propose to proceed, he would not have hazarded this objection. The authors of the plan do not propose, do not adopt, do not contemplate, any proceeding whatever for arbitrarily interfering with the disposal of capital and labour. They leave them, as they ought to be left, in perfect freedom, to regulate themselves. If you will consider the manner in which the promoters of the new colony propose to deal, first with the capitalist, and then with the labourer,

you will see that their mode of proceeding is directly the reverse of that arbitrary interference with which they are ignorantly charged. To the capitalist they say—"The whole of the waste land in the new colony will be sold to the "public at a fixed and uniform price; you may "purchase whatever quantity you think proper; "and you may sell it again in whatever way, "and in whatever proportions you think proper, "without any restriction or interference what-"ever." This the sensible Reviewer calls an arbitrary interference with the disposal of capital. Again, the promoters of this plan of colonisation say to the labourer:—"We have a revenue "derived from the sale of waste land, and we "intend to employ it in giving a free passage to "labourers who may be desirous of emigrating to "the New British Province. If you find it dif-"ficult to procure employment at home, and if "you think you can improve your condition by "settling in the colony, a free passage shall be "provided for you; when you arrive, you will be "free to work at any trade you like best, and for "whatever employer will give you the highest "wages; and should the wages in the new colony "be less than you have reason to expect, you will "be perfectly free to remove to the neighbouring "settlements of New South Wales and Van "Dieman's Land, where there is always a demand "for labour, at ample wages." By what confu-

sion of intellect, by what perversion of language, can this be termed an arbitrary interference with the distribution of labour!

It is impossible to establish a colony in an unreclaimed country, without applying capital and labour to its waste lands. The promoters of the new colony propose arrangements, which they deem effectual, for pouring a continuous stream of capital and labour on the unappropriated wastes of Australia; but with respect to the proportion in which the capital and labour flowing into the new province may there adjust themselves, the promoters of the plan make no regulation, and contemplate no interference whatever. There is in every country some proportion or other between capital and labour, which is most conducive to the progress of wealth, and which gives the highest rates of profit and of wages, which the state of industry and the quality of the soil render possible. This proportion is the best proportion; and it may be called the proportion of equilibrium and of rest; because it is the obvious interest, both of capitalists and of labourers, not to disturb, but to maintain it. Should the capital and labour first planted in the colony be in this best proportion, in this proportion they will naturally remain. But should the arrangements for selling waste land, and for offering a free passage to labourers, fail in the first instance to plant capital and labour in the most beneficial proportion; should capital be invested with an undue advantage over labour, or

labour over capital, then, in either case, competition will immediately tend to establish the proportion of equilibrium and of rest. Were capital to be in excess in relation to labour, profits would be lower, and wages would be higher, in the new than in the old Australian settlements; and the consequence would be, that capital would pass from the new to the old, and labour from the old to the new, until profits and wages, throughout the neighbouring provinces, approached to a common level. On the other hand, if labour should be in excess in relation to capital, wages would be lower and profits higher in the new than in the old settlements; and a common level would be gained by labour passing from the new to the old, and by capital passing from the old to the new. Such transference could be easily and rapidly effected.

The site of the new colony is within a week's sail of Van Dieman's Land, and has an uninterrupted communication, by means of a great navigable river, and its tributaries, with the settled country of Yas plains in the adjoining colony of New South Wales. With such facilities for the free circulation of capital and labour, it would be physically impossible to fix the proportion between them by arbitrary regulations. Such regulations never were contemplated. To the capitalist, who is making inadequate profits, and dreading, lest his profit may be converted into loss, the promoters of the new colony offer the option of purchasing

waste land, under arrangements, which secure a sufficient supply of labour to reclaim and cultivate it in the most productive manner: to the unemployed labourer, or the labourer receiving low wages for excessive toil, they give the option of a free passage to the colony, under circumstances which ensure a demand for labour; because, before the emigrating labourer is sent out, an emigrating capitalist, requiring labour to cultivate his land, must have advanced the purchase-money, by which the labourer's passage to the colony is paid. Thus, labour and capital will be planted upon the wastes of South Australia, in proportions adjusted as nearly as possible to the most productive proportions—the proportions of equilibrium and rest—which it is alike the interest of the capitalist and of the labourer to maintain; but planted in a state of such perfect freedom, that should either be in excess in relation to the other, the element existing in excess, may circulate, without let or hindrance, from employment to employment, or flow off to the neighbouring colonies, until the proportion of equilibrium is attained, and it ceases to be the interest either of capitalist or of labourer to effect a further movement.

Though you may be scarcely able to credit it, yet it is actually the fact, that the Reviewer calls this mode of planting capital and labour in the new colony, "a mischievous interference with "the labour-market;"—"a scheme to draw an

" artificial, broad, and organised distinction be-
" tween labourers and capitalists, after the model
" which exists in slave colonies :"—" nothing after
" all but slavery and villainage ! ! !"

You will naturally ask, whether the Reviewer has any conception of the meaning of the words which he employs, when he makes these assertions; and whether he possesses any consciousness of what passes in his bewildered brain, when he affirms contradictions? He asserts at one time, that the labourer who accepts a free passage to the new colony will be there a slave and a feudal vassal on the soil; and he asserts at another time, that he " will withdraw to places where labour is better " rewarded; that is, to Sydney, or Van Dieman's " Land; for in the same country there cannot be " two rates of wages." Both these assertions cannot be true. If the emigrant-labourer, who accepts a free passage to the new colony, will be a slave and a villain, as the Reviewer asserts, then he will not be in a condition to run away from his owner, or to withdraw from his feudal lord, to seek higher wages in Sydney and Van Dieman's Land; and, if he shall be free, as the Reviewer also asserts that he will be, to seek work at better wages in the neighbouring settlements, then he cannot be either a villain or a slave. You will admit, that when the Reviewer shall have reconciled these contradictory assertions, and shown in what sense they can both be true, the performance of the intellectual

and moral miracle, will entitle his opinions to some degree of confidence and respect.

According to the perverted language of the Reviewer, it is an arbitrary and pernicious meddling with the labour-market, to afford unemployed labourers, who may be desirous of emigrating, a free passage to the colony. To such pernicious meddling he objects, upon the ground that it is unnecessary; and he deems it unnecessary, for this extraordinary and very curious reason, namely—that there exists in this country, as great a desire and necessity for the emigration of labour, as for the emigration of capital. His words are these:—"But after all, what earthly "reason is there for imagining that the desire or "necessity of emigration exists in this country, "in a greater degree, amongst capitalists than "amongst labourers? What ground is there for "imagining that capitalists are more disposed to "trust their money than labourers their persons, "at the Antipodes? With the exception of the "titled and landed aristocracy, who live by the "taxes, and their exclusive privileges, all classes "of the community are equally 'uneasy' in this "country; and, in due proportions, equally well-"disposed, by emigration or other means, to "relieve themselves from the pressure of their "circumstances. Any one, indeed, who has had "personal opportunities of observing the character "of the numerous emigrations which, within the "last three or four years, have taken place from

" the various parts of the British islands, must be " prepared to admit the truth of this."

A person opening the *Westminster Review*, and reading this passage for the first time, without looking at the context, would naturally conclude, that the Reviewer was arguing in favour of affording unemployed labourers a free passage to the colonies. He is perfectly correct in assuming that " there is no earthly ground for imagining " that the desire, or necessity of emigration exists " in this country in a greater degree amongst " capitalists than amongst labourers." All classes who are " uneasy " in this country—the labourer who cannot live upon his wages, and the capitalist who cannot live upon his profits—are equally well disposed to emigrate. The Reviewer is perfectly correct with respect to his facts; and he would also be perfectly correct with respect to the conclusions he draws from them, *provided these two classes, who are equally desirous of emigrating, possessed equal power to do so.* But this is not the case. The capitalist can emigrate —the labourer cannot. When inadequate profits at home render the small capitalist desirous of removing to a new country, where profits are high, he finds no difficulty in transferring himself and his money across the seas. But when inadequate wages render the labourer desirous of removing to a colony, where labour attains an ample reward, the very cause which creates the desire, deprives him of the power of gratifying it. The more

severe the suffering, and the more intense the desire to escape from it, the more impossible the labourer finds it to remove to a situation where employment may be obtained. How are the labourers, who are destitute of employment at home, to procure the means of paying their passage to the colonies, and of supporting themselves there, until they can find work? It is the poverty which deprives them of the power to emigrate, which creates the desire to emigrate. The desire amongst the labouring classes to remove to the colonies, is evidence that their earnings are not sufficient to afford them the means of removal; and proves the expediency of providing a free passage for them. Thus the Reviewer refutes himself, and establishes the necessity of affording unemployed and destitute labourers a free passage to the colony. The reason he assigns for not interfering, is an unanswerable argument for interfering.

The great advantage of providing a free passage to labourers desirous of emigrating, may be proved on other principles, and on other principles too, distinctly stated by the Reviewer. The South Australian lands "are now as valueless as the "waters of the Pacific by which they are "washed, and they will acquire value in propor-"tion as labour and capital are applied to them." The capital which is necessary to give value to those regions can move itself; but the labour, which is also necessary to give value to them,

cannot move itself.—Now, as it is necessary, in order to give value to the waste, that labour and capital should both be applied to it; if the labour *cannot* move, the capital *will not;* and, therefore, unless the movement of labour be aided, these districts, capable, as the Reviewer admits, of becoming a great kingdom, must remain "as valueless as "the ocean waters by which they are washed." Capital would become useless, and would speedily perish, if planted on waste land, without a supply of labour. The regulation for providing a free passage for the labourer, will secure to the capitalist the means of profitably employing his capital, and will bring together, in the new British Province, the elements of a more immediate and more rapid prosperity, than has hitherto been known in the history of colonisation.

The Reviewer asserts, "that the great cause of "the rapid prosperity of all newly-settled colo-"nies, is the abundance of fertile land."

That "in new colonies capital increases rapidly, "and there is an eager demand for labour; and "the authentic experience of at least two centu-"ries has never failed to exhibit a proportionate "supply." These assertions are made in an utter ignorance of facts. The abundance of fertile land is only one of the causes of prosperity; and is no cause of prosperity at all, unless in co-operation with abundance of capital and labour. *All* newly-settled colonies have not enjoyed rapid prosperity. On the contrary, nearly all have, in

the first instance, suffered dire adversity. Since the time of the ancient Greeks, scarcely any have prospered; none have prospered rapidly; and of the colonies planted by modern Europe, the greater portion have miserably perished. Of the rapid prosperity of newly-settled colonies, which the Reviewer asserts, there is not one well-authenticated instance, except where the abomination of human slavery was resorted to, in order to obtain a supply of labour. Amidst the great number of colonies planted by modern Europe, some few, after they became pretty old, have been distinguished by a rapid increase of capital. In such cases, however, "the authentic experience of at "least two centuries," contradicts the assertion of the Reviewer, that the eager demand for labour has been accompanied by a proportionate supply. In every old colony that prospered (new colonies, not rendered moral pest-houses by the abomination of slavery, never have prospered), their prosperity has been rendered far less rapid, than it otherwise might have been, by the one great want continually felt—the want of labour. A continued want, of course, is never supplied. Various expedients, indeed, have been devised, for counteracting, in some measure, the want of labourers; such as kidnapping, the exportation of convicts, and slavery; but the want itself, the want of *free labourers for hire*, has never been supplied. For the first time in the history of colonisation, this want will be supplied, in the new British pro-

vince, by the provision made for granting a free passage to unemployed labourers desirous of emigrating; and therefore, for the first time in the history of colonisation, there will be a newly-planted colony, not languishing for years amidst difficulty and disaster, but springing at once into rapid prosperity.

The Reviewer has read Ricardo, without being able to understand him.

All the land in the new colony is to be sold at a fixed and uniform price; and all the proceeds of the sale are to be applied to providing a free passage for labourers willing to emigrate. The Reviewer states, and states truly, that, according to this scheme, "the settlers are to be compensated for the heavy price exacted for the land, "by the faithful application of the proceeds to "the sole purpose of conveying selected labourers "from England." The capitalist will not buy land alone. In the price of the land will be included the price of the passage of an abundant supply of labour for cultivating it in the most productive manner. But the Reviewer contends, that the compensation of an abundant supply of labour cannot be given to the capitalist, except at the expense of the labourer. "What," he asks, "does abundant labour mean with the "schemers? Why, if it have any meaning at all, "it means cheap labour; that is, labour depreciated

" by its being disproportioned to capital. If this
" be so, and it cannot be otherwise, the condition
" of the labourer is necessarily to be worse than
" in the neighbouring colonies; he is neither to
" have the same means, nor the same inducement,
" to improve his condition."

On reading this passage, you will perceive, first, that the Reviewer does not know the meaning of the word " abundance;" and secondly, that he is a dabbler in political economy, who has read the works of the late Mr. Ricardo, without being able to understand them. Abundance, in common English, signifies ample sufficiency, but not more than enough. If I mistake not, any excess of labour in proportion to capital, is generally called, not abundance, but superabundance.

Superabundant labour is cheap; that is, ill-paid; it receives low wages. But is this the object of the promoters of the new colony, whom the Reviewer styles schemers? Quite the contrary. They say, let there be enough of labour, not too much; and they mean by enough, such a quantity in proportion to capital, as will enable every capitalist to employ his capital in the most profitable manner. Where there is no labour at all, capital cannot be employed, but will perish for want of hands to use it, as has been the case in many a modern colony. Nearly all the most productive operations of industry require the employment *of many pairs of hands at the same time in the same place.* Where the *quantity* of

labour is sufficient for this, where every capitalist can obtain as many hands as he wants, the produce is great, in proportion to the capital and labour employed; and where the produce is great, in proportion to the capital and labour employed, both profits and wages may be high. The object of the promoters of the colony, therefore, is to send out a quantity of labour sufficient, but not more than sufficient, for obtaining a produce so great, as to enable the capitalist to pay high wages, and to keep high profits. No, says the Reviewer, their object is to depreciate labour; because, if the capitalist is to be benefited by the arrangement for keeping up an abundant supply of labour, "the condition of the labourer "must necessarily be rendered worse—it cannot "be otherwise." *The Reviewer has read Ricardo, without being able to understand him.*

Mr. Ricardo investigated the laws which determine the *proportions* according to which the produce of industry is divided between the three classes, of landed proprietors, capitalists, and labourers; and for the convenience of measuring *proportions*, and of reasoning upon them, he invented an artificial or ideal money, in which he estimated rents, profits, and wages. This ideal money is an invariable quantity of gold, always produced by an invariable quantity of labour, to which wages only have been advanced. If rent, profits, and wages, be estimated in this ideal money, there can be no rise of rents, without a fall in the

sum of wages and profits; and if rent be deducted, there can be no rise of profits without a fall of wages; and no fall of profits without a rise of wages. As it is of great practical importance, that the nature and limits of Mr. Ricardo's doctrine should be familiarly known, so as to correct the numerous and pernicious perversions of it, into which his followers, no less "than his opponents," have fallen, I will here endeavour to explain it, by showing the operation of his *proportion-measuring-money*.

Cost of production is the ultimate regulator of exchangeable value. If 100 labourers, to whom wages are advanced, always produce 100 ounces of gold, then this invariable quantity of gold will always be equal in value to the varying quantity of produce which may be raised, from the least eligible land resorted to, by 100 labourers, to whom wages are advanced. Hence, if 100 labourers, having wages advanced to them, and cultivating that quality of land which pays no rent, raise 100 quarters of corn, one ounce of gold will be the price of one quarter of corn; if they raise 200 quarters, one ounce will be the price of two quarters; and if they raise 300 quarters, then one ounce of gold will be the price of three quarters. Now it will appear self-evident, that, estimated in this money, rents cannot rise, unless the sum which goes to profits and wages falls; and that there can be no rise or fall of profits, without a fall or rise of wages; and no fall or rise of wages, without a rise or fall of profits.

Let us suppose that 100 labourers raise 100 quarters of corn from that quality of land which pays no rent, and the whole produce of which is wages and profits, and then the price of corn will be one ounce of gold per quarter; and let us suppose further, that from a superior quality of land, 100 labourers raise 150 quarters. Under these suppositions, the rent of the superior land will be 50 quarters, or 50 ounces. Now let the productive powers of labour be doubled, so that 100 men can raise 200 quarters from the land which formerly yielded 100, and 300 from that which before returned 150 quarters. In this case, the price of corn, in Mr. Ricardo's money, will have fallen from one ounce, to half an ounce of gold per quarter; and though the corn-rent of the land now yielding 300, instead of 150 quarters, will have risen from 50 to 100 quarters, yet, as the price of corn has fallen one half, the money-rent of this land will continue to be only 50 ounces of gold. It is evident, therefore, that if the ratio of increase be equal on all the lands under tillage, no increase of production, no increase in the real wealth, the *commodity-revenue* of the landed proprietor, can effect an increase of rent, in Mr. Ricardo's ideal money. On the other hand rent, estimated in this proportion-measuring-money, may go on increasing while production decreases, and real commodity-rent declines; provided the sum to be divided between wages and profits be diminished. Let the land which pays no rent, and which, at first, yielded 100 quarters to the labour of 100 men, now yield only 50 quarters; while

the superior land, which at first yielded 150 quarters to the labour of 100, yields only 80. In this case, the corn-rent of the superior land will have fallen from 50 to 30 quarters. But as 50 quarters, the produce of the labour of 100, are now equal in value to 100 ounces of gold, invariably produced by the labour of 100, the price of corn will have been doubled; and the corn-rent of 30 quarters will be worth 60 ounces. Thus, while rent, estimated in produce, will have fallen 40 per cent., estimated in the ideal money it will have risen 20 per cent.

The same holds good with respect to profits and wages. If we consider, with Mr. Ricardo, that the whole of the advances of the capitalist consist of wages, then the whole of the produce of that land which pays no rent, will be divided between wages and profits; and however its *quantity* may increase or diminish, it will always be equal in value to the same unvarying quantity of gold. If 100 labourers, paying no rent, raise 100 quarters, one quarter of corn will be worth one ounce of gold; and if the produce be equally divided between profits and wages, the capitalists will have 50 quarters, and the labourers 50 quarters; and, estimated in the ideal money, profits will be 50 ounces, and the wages of the 50 labourers 50 ounces. Let the 100 labourers, paying no rent, produce 300 quarters instead of 100, and then the whole produce of the 100 labourers being, as before, equivalent to the 100 ounces of gold, the price of a quarter of corn will have fallen

from one ounce to one-third of an ounce of gold. Let two-thirds of the produce go to the capitalist, and one-third to the labourer, and then real profits will have risen from 50 to 200 quarters, and real wages from 50 to 100 quarters. Nevertheless, this rise of 100 per cent. in real wages, would, in the language of Mr. Ricardo, be a fall of wages. Estimated in his ideal money, corn has fallen to one-third of its former price. The real wages of 50 quarters, which the labourer formerly received, were worth 50 ounces; the real wages of 100 quarters, which he now receives, are worth only $33\frac{1}{3}$ ounces; and, consequently, in Mr. Ricardo's sense of the term, wages must have fallen. In this case, the increase in the productive powers of industry, will have raised the real amount of profits 300 per cent., or from 50 to 200 quarters. But though the *real* amount of profits will thus have risen, *Ricardo* profits will have risen only in the proportion in which *Ricardo* wages will have fallen. For the real profits of 50 quarters, which the capitalist formerly obtained, were worth 50 ounces; while the real profits of 200, which he now obtains, are worth no more than $66\frac{2}{3}$ ounces. On Mr. Ricardo's principles the reason is obvious; the price of the whole produce is always 100 ounces of gold; and of these 100 ounces, the capitalist cannot receive a greater quantity, unless the labourer receives less; and the increase of profits must always be exactly equal to the decrease of wages.

These illustrations demonstrate what has been

already stated, namely, that Mr. Ricardo's object was to investigate the laws which regulate the *proportions* in which the produce of industry is distributed into wages, profits, and rent, without regard to *quantities*. In illustrating this object, he made three distinct suppositions: 1st. That the standard of money is an invariable quantity of gold produced by an invariable quantity of labour; 2nd, that the whole of the advances of the capitalist consist of wages; and 3rd, that the productive powers of industry are invariable, except when applied to soils of varying fertility. Under the circumstances assumed, his conclusions are strictly correct. Granting that the same sum of money is always produced by the same quantity of labour; that all the advances of the capitalist are resolvable into wages; and that the quantity of produce raised by a given quantity of labour, only varies as soils of varying quality are resorted to; and then it will follow, as a necessary consequence, that rent cannot rise or fall, without a diminution, or an increase, in the sum of wages and profits; and that profits cannot fall or rise, without a corresponding rise or fall in wages.

Mr. Ricardo explained, and explained correctly, the laws which regulate rent, wages, and profits, *under the circumstances which he assumed.* In doing this, he rendered important service to the science of political economy; because, when we have once ascertained the laws of distribution under one set of circumstances, it becomes comparatively easy to trace out the manner in which

the operation of these laws is modified under different circumstances. But, unfortunately for the progress of the science, that which Mr. Ricardo demonstrated to be true *under one peculiar set of circumstances,* his commentators fancied to be true *under all circumstances.* It is strictly demonstrable that, estimated in Mr. Ricardo's ideal money, all commodities, in the production of which any portion of seed, of raw material, and of fixed capital, is employed, must fall in price with every rise in wages; and from this fact, Mr. Ricardo's followers draw the astounding inference that, *in the real circumstances of the market, and in the real money of commerce,* a rise in wages causes, not a rise, but rather a fall in prices. Again, *if all the advances of the capitalist be reduced to the single denomination of wages,* and if wages be estimated in the ideal money, it is demonstrable, that there can be no rise of profits without a fall in wages; and this fact, *true under these particular circumstances,* the followers of Mr. Ricardo, in their hasty generalizations, imagine to be true *under all conceivable circumstances,* and contend, that it is impossible to give the capitalist a higher rate of profit, without degrading the condition of the labourer.

Consistent in error, those who read Ricardo without understanding him, are opposed to the principles upon which the new colony is to be founded. The Westminster Reviewer, a political economist of the misconception school, considers the scheme of the new colony as a

" botchery worthy of a bench of justices;" because it is impossible to benefit the capitalists, by rendering labour abundant, without reducing the reward of labour.

From what has now been stated, you will immediately perceive, that the whole question at issue resolves itself into this. Is the doctrine of Mr. Ricardo, that profits cannot be increased without a decrease of wages, true or false? This doctrine is, no doubt, *theoretically* true, under the *hypothetical circumstances* which Mr. Ricardo has assumed; but the question is, is it *practically* true, under the real, and very different circumstances in which the business of production is actually carried on? If the doctrine be *practically* true, the objection of the Reviewer is unanswerable, and fatal. I admit, in the most unqualified terms, that if the profits of the capitalists cannot be increased, without diminishing the wages of the labourer, the principles upon which it is proposed to found the new colony are erroneous principles; and that the colony ought forthwith to be abandoned. Let me request your particular attention, while I endeavour to state the grounds upon which I confidently believe that the doctrine of Mr. Ricardo is not true, *under the actual circumstances of the world;* and that the profits of the capitalist may be increased, while the condition of the labourer is improved.

Let us suppose, for the sake of illustration, that a capitalist unites in his own person the occupations of cultivator and manufacturer; that

he employs 200 labourers, advancing to them, as wages, 200 quarters of corn, and 200 suits of clothing; and that he obtains a reproduction of 300 quarters, and 300 suits. In this case, it is self-evident that the rate of profits will be 50 per cent., and that wages will be one quarter and one suit per man. This being the previous state of things, let us suppose, further, that the effective powers of industry are doubled, and that the capitalist employing the 200 labourers obtains a reproduction of 600 quarters, and 600 suits. In this case, the rate of wages may be raised from one quarter and one suit, to one and a half quarters and one and a half suits; and yet the rate of profit will be increased from 50 to 100 per cent. Thus, the increased effective powers of industry will have doubled profits, and increased wages one-half. As the capitalist advances one and a half quarters and one and a half suits to each labourer, his whole advance to the 200 labourers is 300 quarters and 300 suits, while his return is 600 quarters and 600 suits; and yet, so far is this increase of profits obtained from the depression of wages, that wages are at the same time increased by 50 per cent.

Facts are not changed by arbitrary alterations in the language employed to express them. In the case just stated, the labourer, while enjoying more, by one-half, of all the necessaries and conveniences of life, could not be deprived of his superior comforts, by being told that his wages had fallen, when estimated in ideal money,

coined in the mint of Mr. Ricardo's brain. By doubling the effective powers of industry, the prices of all commodities, measured in the Ricardo money, will have fallen one-half. If the price of corn and clothing had formerly been two ounces of gold per quarter, and two ounces per suit, their price will now be one ounce per quarter, and one ounce per suit. Consequently real wages must be doubled, in order to give the labourer the same wages, in the Ricardo money, as before. But real wages, instead of being doubled, are increased only one-half; and, consequently, in the language of the Ricardo school, profits will have been increased, only because wages will have been reduced. The labourer can command an increased quantity, by 50 per cent., of all the necessaries and conveniences of life; but this increased quantity of all commodities is represented by a less sum of ideal money; and, therefore, according to the misconception of the Reviewer, the condition of the labourer is depressed.

If you will do me the favour to consider the illustration which I have now ventured upon, you will admit, that there is nothing in the doctrine of Mr. Ricardo, when rightly understood, which favours the principle adopted by the Reviewer, — that we cannot benefit the capitalist, without injuring the labourer. It amounts to a perfect demonstration, that, when the productive powers of industry are increased, there may be, at one

and the same time, an increase, both in profits and in wages. The ultimate question at issue, therefore, is, will the productive powers of industry be increased, in the new colony, by the proposed arrangement for selling land, and providing labourers with a free passage out of the proceeds? If this arrangement does not tend to increase the productive powers of industry; if it does not enable a given quantity of capital and labour to create a greater quantity of wealth, then it will be impossible that the arrangement should increase the profits of the capitalist, without lowering the wages of the labourer; or that it should raise wages, without lowering profits. But if, in the new colony, profits be raised at the expense of wages, labour, as the Reviewer truly observes, will pass to the old Australian colonies; and if wages be raised at the expense of profits, capital will migrate; and thus, in either case, the prosperity of the new colony will be arrested. Unless the proposed arrangements are calculated to have the effect of increasing the productive powers of industry, and enabling a given quantity of labour to produce a greater quantity of the necessaries and conveniences of life, the objection of the Reviewer is fatal; and again, to borrow his polished phrase, the project will be a "botchery fit for a bench of "justices." Here then I join issue with the Reviewer. I meet him on this hinging point, upon which the controversy turns. I am prepared to show—I undertake to demonstrate—that the

proposed arrangements are calculated to increase the productive powers of industry; to enable a given number of labourers to create a greater quantity of wealth; and thus, to admit a contemporaneous rise of wages and of profits.

I. *On the effect of Co-operation in increasing the productive powers of Industry.*—II. *Want of combined labour upon the Land, the cause of the poverty of Ireland.*

I. Let us suppose that, in a new settlement, in which land is given away to all who apply for it, four labourers locate themselves on four separate lots, of 50 acres each, and, in the Reviewer's language, commence hewing their fortunes out of the rude material of nature. Each of these four labourers must construct his own house and buildings, and, for this purpose, must "hew his materials" from the depositories of nature—the quarry and the forest; and must be his own mason, his own carpenter, and his own smith. Each individual, therefore, will waste a considerable portion of his time in shifting from one employment to another; and in most of these varied occupations, must necessarily be miserably deficient in knowledge, dexterity, and skill. Again, each of these four labourers must construct a separate road from his farm to the market town; each must have the means of conveying his produce to market: and each must suspend the clearing and cultivation of

his land as often as he has occasion to take a journey to the market town, to dispose of his produce, or to purchase other necessaries there. Every person in the slightest degree acquainted with the sources which augment the productive powers of labour, will see how inefficiently, under such circumstances, the agriculture of a new settlement must be conducted.

Let us now vary the supposition, let us assume that the land of the new colony, instead of being given away, is sold at a proper price, and that our four labourers, instead of dispersing themselves over the wild, and occupying four farms of 50 acres each, as independent cultivators, work for wages with a capitalist who purchases a farm of 200 acres, and proceeds to cultivate it with their aid. This farmer and his four labourers working in combination, may raise, at least, four times the quantity of produce which could be raised by four isolated labourers fabricating their own imperfect implements, and squatting in the forest at a distance from each other. While materials were purchased, and while masons and carpenters, skilled and dexterous in their particular callings, were brought from the neighbouring town, to erect the necessary buildings, and to make or to repair efficient agricultural implements, the cultivation of the land would proceed with uninterrupted rapidity. To open a communication with the market would require the construction of only one road, instead of four. When it was necessary to convey

produce from the farm to the town, one well loaded waggon, attended by one man, would do the business of four half-loaded carts, attended by four men, and traversing four times the distance. All the labour saved in consequence of constructing and repairing one road instead of four; and of one man going to market instead of four, would be an additional quantity of labour applied to the soil; while the expense of carts and waggons, and of draught cattle, would be considerably diminished. But this would not be all. Not only would one farmer, working on one farm, with the aid of four hired labourers, be able to bestow a greater quantity of immediate labour on the soil, than four labourers, working upon their own account upon four separate farms, but every given portion of the combined labour would be more effectual than the same portion of the isolated labour. Though in agriculture, divisions of employment and combination of labour, do not occasion all the miraculous augmentation of productive power which they realise in manufactures; yet, even in agriculture, they are accompanied by very decided advantages. When we compare the effects of combining the labour of four persons on one farm, with the effects resulting from the uncombined exertions of four labourers upon four separate farms, we may fairly conclude that, in the former case, the combined result of the greater quantity of labour directly applied to cultivation, of the greater efficacy of every given portion of the combined labour, and of the saving effected in the food of draught cattle, will be

to cause the farm produce brought to market from the single farm, to be greater, by at least four fold, than the produce brought to market from the four separate farms.

Combination of labour, and division of employment, increase the productive powers of non-agricultural industry in a much greater proportion than they increase the productive powers of agricultural industry. The number of the non-agricultural labourers resident in towns, must be regulated by the quantity of surplus produce raised by the cultivators of the soil. If, in the new colony, co-operation should increase, by four fold, the quantity of agricultural produce brought to market, it would also increase, by four fold, the number of the non-agricultural population which could congregate in towns. In proportion as the population of the towns increased, co-operation, and the divisions of employment, would be carried to a greater extent in all the mechanical arts. But, in the mechanical arts, division of employment and combination of labour, increase productive power, in a much higher ratio than that in which they augment it in agriculture. If four labourers, working in combination upon one extensive farm, can raise for the market four times as much food as four labourers working without co-operation upon four separate farms, it is not too much to assume that the efficacy of any given portion of mechanical labour, in all its more extensive departments, will be greater, by ten-fold, amongst the condensed population of a considerable town, than

amongst the isolated occupiers of patches of land, thinly scattered through surrounding forests.

The effect of co-operation, in augmenting the productive powers of mechanical and manufacturing industry, is sufficiently apparent. An architect, employing a single pair of hands, might raise a mud cabin; or throw the branches of a tree across a brook; but how many pairs of hands must he employ, in the same place, on the same work, at the same time, in order to raise a steeple, or to turn an arch? The difference between mud huts and St. Paul's Cathedral, and between Waterloo Bridge and planks thrown over brooks, exemplifies the difference between the effective powers of isolated, and of combined exertion.

It has been already remarked, that the effect of co-operation, in augmenting productive power, is less striking in agriculture than in the other departments of industry. Nevertheless, the results obtained, by combined labour, in agriculture, are sufficiently important. No natural fertility can enable the isolated cultivator to extract from the soil a large quantity of produce with a small quantity of labour. Of this, Ireland presents us with a remarkable, and a melancholy example.

II. In England, a farmer may cultivate 500 acres of land with about fifteen hired labourers, working in combination; in Ireland, 500 acres of land will often be divided into sixty separate farms, occupied by sixty peasants, each working on his own account, without the aid of hired labour. Now it is a well known and undisputed fact, that in

England, 500 acres of land, upon which there are fifteen hired labourers working in combination, will be better cultivated, and will yield more abundant crops, than 500 acres of equal natural fertility in Ireland, upon which there are sixty peasants, working independently upon their sixty separate farms. And this being the fact, it follows that, in agriculture, the productive power of combined labour exceeds, by more than four-fold, the productive power of isolated labour. Fifteen men, working in combination, can raise a greater produce from the soil, than sixty men, working separately, and without co-operation.

The want of combined labour upon the soil is the cause of the defective agriculture of Ireland; and the defective agriculture is the cause of the poverty of the people. No measure for the relief of the distress of the people of Ireland, can have a chance of success, unless it be calculated to augment the productive power of agricultural industry in that country, and to enable a given quantity of labour, to extract from the soil a greater quantity of produce. In every country, the general scale of comfort and accommodation must be mainly determined, by the proportion of the population required to raise food for the whole. If, in any country, the productive powers of agriculture were so low, that it required the labour of the whole of the people to raise the necessary supply of food, then the whole of the people must remain naked savages. If the labour of nine-tenths of the people were sufficient to

produce food for the whole, one-tenth might be employed in preparing clothing; and the nation, instead of consisting of naked, might be composed of half-naked, savages. The smaller the proportion of the whole population employed in providing food, the larger will be the proportion employed in producing secondary necessaries, and superfluities; and, in any given state of manufacturing skill, the more abundantly will the community be supplied with the comforts and luxuries of life. This principle accounts for the destitution of the peasantry of Ireland, and shows us that it will be impossible to place them on an equality with the peasantry of England, until, by combination of labour and capital upon the soil, the productive powers of agriculture be so improved, in Ireland, that a given number of husbandmen can there raise as great a quantity of produce as the same number of husbandmen can raise in England.

In further explanation of this important point, let us recur to our former illustration. Fifteen hired labourers, working in combination, upon a farm of 500 acres, will raise in England as great a quantity of produce as can be raised in Ireland by sixty labourers, working separately, upon 500 acres of equal natural fertility, divided into sixty farms of about eight acres each. Let us assume, for the sake of distinctness, that the quantity of produce raised in each case, is one hundred quarters of corn; that these hundred quarters are divided so as to pay rent, and wages, and profits.

upon capital; and that, both in England, and Ireland, the charge for rent, taxes, and seed, are equal; amounting, in each country, to 40 quarters, and leaving, in each, 60 quarters to be appropriated as wages and profits.

In this case, if the English farmer retained 20 quarters of corn, or twenty per cent. upon the whole produce, as profit, he would have 40 quarters to advance to his fifteen labourers, making their wages $2\frac{2}{3}$ quarters per man; while the sixty Irish tenants would have only 60 quarters, or one quarter per man, to pay not only the wages of their labour, but profit upon the scanty capital they employed.

In Ireland the rent is somewhat higher than in England, and in England the taxes upon the land are higher than in Ireland; so that, in the two countries, the sum of rent and taxes may be taken as equal. If, therefore, after the deduction of rent and taxes, the raising of any given quantity of produce requires a greater number of labourers in Ireland, than in England, it is self-evident that the quantity of produce falling to each labourer, must be less in Ireland than in England. It cannot be too often repeated, that the cause of the poverty of the Irish peasantry, is, the want of that application of combined labour to the land, which allows a large produce to be raised by few hands.

The remedies suggested for relieving the distress of Ireland, have generally been proposed in ignorance of the main cause from which the

distress proceeds. The recall of absentees, and the reduction of rents, have been urged as remedies. These measures, if practicable, would be utterly inadequate. All the rents, of all the absentees, and of all the resident proprietors of Ireland, if distributed in aid of wages amongst the labouring class in that country, would fail to afford them a scale of comfort approaching to that (and it cannot be considered as too high a scale) enjoyed by the same class in England. To feed, and clothe, and lodge the people in Ireland, as the people in England are fed, and clothed, and lodged, would require, at the very least, that each labourer should receive, upon the average, an advance of wages of six shillings a-week. Now, if we take the labourers of Ireland only at three millions, an advance of six shillings a-week upon their wages, would amount to 46,000,000*l.* per annum. All the rent, and all the taxes, increased by all the exports and all the imports of Ireland, would not amount to this sum.

It has been contended that poor laws would remove the poverty of the peasantry of Ireland. Now, it is self-evident that the poverty of the Irish peasant cannot be relieved by a poor law, compelling him to pay a rate out of his miserable earnings. A cottier tenant, in Ireland, retains, after paying his rent, a portion of the produce of his little farm, just sufficient to subsist his family upon the lowest quality of food, and to half clothe his wife and children. To take from him, under

the form of a poor rate, any part of the miserable pittance which remains to him after paying his rent, would be to aggravate, not to mitigate, his distress. A poor rate, in order to have any effect whatever in relieving the poverty of the peasantry of Ireland, must be levied, not on the earnings of the occupying tenantry, but upon the incomes of the landed proprietors *. But if the whole of the rental of Ireland were increased four-fold, and if the whole of this increased rental were absorbed by a poor rate of twenty shillings in the pound, and distributed in aid of wages, it would be insufficient to enable the rural population of Ireland to procure the same quality of food, of clothing, and of lodging, which is enjoyed by the labouring class in England. No conceivable measure for relieving the poverty of Ireland can be effectual, until, by the operation of combined labour upon the land, a less proportion of the population shall be enabled, to raise subsistence for the whole. But, during this transition, in what manner can that portion of the rural population, which must be displaced from their small holdings, be disposed of? This is a momentous question. There can be no relief, no safety for Ireland, except in an extensive and well regulated system of colonization; planting on the unoccupied lands of our foreign possessions, that portion of her rural population which may

* See the very able "Lectures on Poor Laws," by Mountifort Longfield, Esq., Professor of Political Economy in the University of Dublin.

be ejected from their small holdings, by such a consolidation of farms as may be sufficient to secure the advantages of combined labour upon the land.

In the New Colony Combination of Labour will occasion both high profits and high wages.

No doubt can exist, but that in the new colony the increased productive power of industry, occasioned by combination of labour and division of employment, would be beneficial to capitalists, and would increase the rate of profit. Without an abundant supply of combined labour, the occupier of extensive tracks of land would be confined almost exclusively to pasturage, and would be unable to prosecute tillage, and to draw forth the resources of the soil. But with a sufficient supply of combined labour, he would have the power of cultivating, with the greatest effect, all the varied and valuable productions suited to the climate and the soil. Again, without a concentrated population, and a sufficient supply of hired, and therefore combined, labour, the proprietor of town lots could neither erect houses in the cheapest way, nor, when erected, dispose of them to advantage. While with concentration, and a sufficient supply of labour for hire, he could employ in building, workmen skilled and efficient in consequence of the divisions of employment; houses could be rapidly and cheaply constructed; and when constructed, the demand for them would raise both the ground-

rents and building-rents to an extraordinary height.

This part of the subject, however, it is unnecessary further to discuss. No doubt can exist, but that to the capitalist, whether residing in the country districts, or in the towns, an abundant supply of labour would prove, in a high degree, beneficial. The main question is, would the abundance of labour in the new colony be beneficial to the labourer? would the increase in the productive powers of industry, consequent upon this abundance, and upon the co-operation resulting therefrom, occasion an increase in the wages of labour, as well as in the profits of capital?

We shall find, upon duly considering this question, that an increase of wages must be an inevitable consequence of an increase in the productive powers of industry. If, in the first instance, the whole of the increased production obtained by abundant and combined labour, should be retained by the capitalist employing such labour, the consequence would be, that the rate of profit would be enormously high. This high rate of profit would cause, by a two-fold operation, the proportion of capital to labour to increase. The old capital, already invested, would rapidly augment, while the attraction of superior gains would cause supplies of new capital to flow in. But the increased capital could not be employed beneficially, except in conjunction with increased supplies of labour; and thus the augmenting demand for labour would

speedily lead to such a division of the increased production, consequent upon co-operation, as would occasion an improvement in wages. Thus, even upon the supposition that, in the first instance, the labourer should derive no benefit from the increased production consequent upon co-operation, he must, from the necessary laws which regulate the distribution of wealth, speedily derive his due share of the advantage he contributed to create. For, on this supposition, capital would increase faster than labour; and the competition of capitalists to obtain workmen, would necessarily raise wages.

But there is another, and a yet stronger ground, for believing that, in the new colony, a portion of the increased production created by combined and co-operative labour, would belong to the labourer. *It would be impossible to retain hired labourers, unless the labourers should feel it to be their interest to remain in that condition.* The Reviewer has stated, and has stated truly, that if the wages of labour should be depressed in the new colony, below their level in New South Wales and Van Dieman's Land, the labourer would proceed to those flourishing settlements, where the demand for labour is great. In the new colony, the capitalist will be unable to retain the advantages of hired labour, and combined exertion, without giving to the labourers such a portion of the increased production flowing from these sources, as may present a sufficient motive to

continue in the new colony as hired labourers. The advantages of combination can continue to exist, only so long as they shall continue to be shared, as well by the labourer as by the capitalist.

Wages must be higher in the new Australian colony than in the old Australian colonies, as long as waste land shall continue to be sold at a higher price in the new than in the old. This is a most important consideration, and deserves careful attention.

If land of the same quality should be sold in the old colonies for 5*s.*, and in the new colony for 30*s.* per acre; then, if wages were equal in all, an industrious labourer might purchase a farm of a given extent in the old colonies, in one-sixth of the time in which he could purchase a farm, of the same extent, in the new. Should these equal wages be such as to enable an industrious workman to save 10*l.* a-year out of his earnings, then in New South Wales he might purchase a farm of 40 acres, after working for hire during one year; while in the new settlement, labourers could not purchase farms of equal extent, without remaining in the condition of hired labourers for six years. What is to induce the industrious workmen, of the new settlement, thus to postpone the period for becoming independent proprietors, cultivating their own freeholds? There must be some decided advantage, either present, or in prospect, to induce them to do so. Now, though the advantage *in prospect*

must be admitted as very considerable, yet it cannot be regarded as forming a sufficient motive for continuing as hired labourers, unless accompanied by *immediate advantage*.

The workman of the new settlement, who worked until the end of six years before he purchased a farm, would find himself in a situation decidedly preferable to that of the workman in New South Wales, who had purchased a farm after working only for one year. The latter would be isolated in the wilderness, unable to derive aid from combination of exertion and division of employment; the former, cultivating, economically and effectually, by combining the labour of hired workmen with his own, would be placed in circumstances the most prosperous.

The one would be the solitary and therefore half-savage lord of a portion of almost valueless and unproducing wilderness; the other would be a proprietor, in the English sense of that term, cultivating his own estate, with the aid of hired labour—a capitalist, realising high profits, a social resident in a peopled land, and a member of a civilised community.

These advantages are great, and were they *immediate*, would be decisive in determining the judgment. But, if wages were equal in the new and in the old colonies, these advantages could not be obtained without waiting five years for them. The desire of immediate independence, and the English associations attaching the ideas of wealth and influence to the possession of

land, might have a tendency to induce some to prefer a less eligible condition in New South Wales, after working for one year, to the more eligible condition, which might be attained in the new colony, after six years. Hence, if wages were equal in all the Australian colonies, the tendency might be to diminish the abundance of concentrated labour in the new settlement, and to cause the productive powers of industry to decline.

But wages would not be equal in the old colonies, and in the new one. Admitting, for the sake of argument, the impossible fact, that all the capitalists of the new settlement could come to an understanding, not to bid against each other in the labour market, and to fix, by positive regulation, the wages which should be paid; still their obvious interest would dictate to them the necessity of fixing the minimum of wages at a higher point than the average wages of the old colonies. The more perfect, amongst the employers of labour, the combination for regulating wages became, the more certain it would become that the remuneration of labour would be fixed, in the new settlement, at a level sufficiently above the remuneration obtained in the old colonies, to counteract the temptation to pass to the old colonies, in order to purchase the cheaper land.

Thus it appears, upon the clearest and strongest evidence, that the abundant supply of labour for hire, which would be so highly beneficial to the capitalist, would also confer substantial advan-

tages upon the labourer. The abundant supply of labour, leading to combined exertion, and to division of employment, and causing an important diminution in the cost of carriage, would occasion such an increase in the productive powers of industry, as to enable the capitalist, while he realised higher profits, to pay higher wages than those prevailing in the older colonies. While the capitalist had thus the power of paying higher wages, his interest would compel him to pay them. If the lower price of land held out a temptation to the labourer, to pass to the old colonies, and to become a proprietor, before the period when he could accomplish that object in the new settlement, the capitalist, deeply interested in maintaining the abundant supply of concentrated labour, would be impelled to counteract this temptation, by the offer of higher wages. Thus we see that the high minimum price of land, would be in an eminent degree beneficial to the labourer. It would secure to him higher wages, while he continued to work for an employer; and when the savings from his higher wages enabled him to purchase land, he would not be like the settlers in other new colonies, a lonely dweller in the wilderness, hewing his fortune, with his own unaided arm, out of the rude materials of nature, but would be able to say, in the language of Holy Writ, "I am a man "under authority, and I say to this man, go, and "he goeth; and to another, come, and he cometh; "and to my servant, do this, and he doeth it."

I believe I have now sufficiently disposed of the objection of the Reviewer, that, planting in the new colony a supply of labour sufficient to compensate the capitalist for the high price paid for his land, would have the effect of reducing wages, and of rendering the condition of the labourer less cheering and prosperous than it otherwise would be. I have shown, that an abundant supply of labour, by securing, from the first, co-operation, cheapness of carriage, extensive markets, and the division of employment, would multiply the productive powers of industry, and would enable the capitalist to retain high profits while paying high wages. I have also shown that, while the increased production would enable the capitalist to pay high wages, his own interest would compel him to do so; because the rapid accumulation of capital would cause a competition for labourers, wherewith to employ it; and because a sufficient supply of combined labour could not be maintained, unless the augmented production which it created should be so divided as, at one and the same time, to increase both profits and wages.

Statement of the Principles which should determine the Price demanded for Waste Land in New Colonies.—The Reviewer ignorant of these Principles.

In the art of colonisation, the point of paramount importance is, the mode of disposing of the public land. The Reviewer admits that the best

mode of disposing of public land is by sale; but he does not appear to have any conception of the principles which should determine the price at which the sale should be effected. He asserts, indeed, that 12*s.* per acre is a price much too high; but he does not enter upon the question, above all others the most important, what the price should be. I hope to be able to convince you that, in asserting that 12*s.* is too high a price, he exhibits utter ignorance of the principles of colonisation.

Let us suppose that 5*s.* per acre is the price fixed for waste land in the new colony; that at this price the public may freely purchase what quantities they please; and that the proceeds obtained by the sale of land, instead of being employed as an emigration fund, are applied towards defraying the general expenses of the Colonial Government. This state of things would be approved of by the Reviewer; but the question for us to consider, and to determine, is, would this state of things be advantageous to the settlers who might purchase land in the colony? I am of opinion that, instead of being advantageous, it would be decidedly disadvantageous to them; and my reasons for holding this opinion are as follow.

Under the circumstances above supposed, a settler who should purchase 100 acres of land for 25*l.*, would lose, not only his purchase-money, but also the whole of the capital he might apply to his land, unless he could procure labour with which to

cultivate it. To prevent this loss, he would be compelled to take out labour to the colony; and to clear his 100 acres, and cultivate them with effect, he would require, in co-operation with himself, at least two out-door labourers, with their wives as in-door servants. The passage of the four would cost him 60*l.*, which, with 25*l.* paid for his land, would be an outlay, for land and labour, of 7*s.* per acre. It is therefore evident, that waste land in the new colony, combined with a supply of labour for hire, sufficient to clear and cultivate it effectually, is worth, at the least, 17*s.* per acre; and that 17*s.* per acre for land thus circumstanced, is, beyond comparison, a lower price than 5*s.* per acre for other land of similar quality, not in conjunction with an adequate supply of labour for hire. By purchasing waste land at the nominally high, but really low price, the capitalist might possibly realise large profits; by purchasing at the nominally low, but really high price, he would certainly lose his capital, and become an isolated squatter in the wilderness, "hewing out "his future fortune with his own good axe, out "of the raw material of nature."

Perhaps the sagacious Reviewer may here demand, wherefore charge the settler, in the price of his land, with the amount of the passage-money required to convey the requisite supply of labour for cultivating it? Wherefore this arbitrary interference with the distribution of capital and labour? Why not permit the settler, who may purchase

land, to take out whatever number of labourers he may want, in his own way?

Now the reason why the settler is charged, in the price of his land, with the cost of taking out the labour necessary to clear and cultivate it, is simply this. If one settler should incur the expense of taking out labour, and another should not, then, when both arrived in the colony, the settler who had not incurred the expense, would be able to afford higher wages, than the settler who had: and would thus attract to himself the labour taken out at the expense of the other. Nothing could prevent this result. Indentured servants could not be held to their indentures. The desire to obtain the higher wages, offered by settlers who had not expended capital in taking out labour, would render them dissatisfied in the employment of the master to whom they had bound themselves for the consideration of their passage being paid; and this dissatisfaction, rendering their labour reluctant and intermitting, would occasion such disagreements as would render their masters not merely willing, but glad to release them from their engagements. No fact is more thoroughly established by experience, than this, that in a new colony, indentured servants cannot be held to their engagements. When it is left to the settler to take out the requisite supply of labour, he cannot be sure that he can retain it, and therefore will not incur the expense of taking it out. The amount of the passage-money of

labour, is, therefore, charged to the settler, in the price demanded for waste land, because this is the only arrangement by which it is possible that a sufficient supply of labour can be secured.

It must appear evident to any one who will attend to the manner in which wealth is produced, and value created, that waste land, in conjunction with a supply of labour for hire, sufficient to clear and cultivate it, would be cheaper at 17*s.* per acre, than waste land, without labour for hire, would be at 5*s.* per acre. It can be proved, with the mathematical accuracy of figures, that 17*s.* an acre, if wholly employed in the conveyance of labour, would not be too high a price for waste land in the new Australian colony. Would this price, if permanently established, be a price sufficiently high, to develope, to their full extent, the productive powers of industry? For the following reasons, I think it would not.

Four hired servants would reclaim and cultivate 100 acres of waste land, so as to afford higher profits and higher wages, than if a less number of labourers were employed. It is sufficiently obvious, therefore, that the price of 100 acres of waste land for cultivation, should be sufficient to convey these agricultural labourers to the colony. But, as "man cannot live by bread alone," so neither can the necessaries and comforts of life be produced by agriculture alone. To create prosperity, there must be a class of artisans, and mechanics, and traders, as well as a class of cul-

tivators. The rates of profits and of wages, which the agriculturist can obtain, are determined by two cooperating, but distinct causes: first, by the efficacy of their own industry; and, second, by the efficacy of the industry of the non-agricultural class. The most skilful application of labour and capital, to the most fertile soil, cannot secure affluence, or even comfort, to the cultivators, unless they can obtain, in exchange for their surplus produce, a sufficient supply of the productions of the mechanic and the artisan. On this plain and obvious principle, then, would it not be better for the agricultural settler, that he should be required to pay for his waste land, a price not only sufficient to convey to the colony the labour requisite to cultivate his farm in the most productive manner, but also to convey a sufficient number of artisans and mechanics, to furnish an abundant supply of secondary necessaries, to be exchanged for the primary necessaries extracted from the soil? In determining what the price of waste land, in a new colony, should be, this is a question worthy of all consideration.

In order to render the subject perfectly clear, and to enable us to see through it to the very bottom, it will be best to argue, not from general propositions, but from particular examples. For this purpose, let us suppose that the combined labour of three persons is calculated to clear and cultivate 100 acres of land in the most productive manner, or, in other words, to raise the greatest

quantity of produce in proportion to the quantity of labour employed; and let us suppose, further, that, in the new colony, the combined labour of three can raise food for nine. Now, it is obvious, that, in order to enable our three labourers to combine their labour upon the soil, and to raise food for nine, it is indispensably necessary that there should be some division of employment in the colony; that there should be masons, carpenters, smiths, and other mechanics, to prepare those secondary necessaries, which are too bulky, in proportion to their value, to be imported. Without a non-agricultural class, consisting of artisans, and of manufacturers of unimportable articles, the agricultural class could not devote their combined labour to the land, but would be compelled, to unite the business of the cultivator with that of the mason, of the smith, of the carpenter, and of the coarser manufacturer. This want of division of employment, and combination of labour, will reduce the productive powers of industry to the lowest state. The results of mechanical labour will be rude and scanty; the soil will not be half cultivated; and one hundred acres, from which the combined labour of three, might have raised food for nine, will yield scarcely any surplus beyond the subsistence of the three jacks-of-all-trades, occupied upon them.

Let us now make another supposition. Let us assume, that divisions of employment exist in the new colony, and that there is a non-agricultural

class, consisting of mechanics and manufacturers of unimportable articles, sufficient to allow the agricultural class to devote their combined labour exclusively to the soil. In this case, the productive powers of industry will be increased in an astonishing degree; and should the soil be even moderately fertile, the labour of three will be sufficient to raise subsistence for nine. Assuming then that the combined labour of three, exclusively directed to the soil, can raise subsistence for nine, the surplus of production, above expenditure, will be determined by the number of mechanics to whom subsistence must be advanced, in order to allow the cultivators to apply their uninterrupted labour to the soil. If it should be necessary to have one artificer for every cultivator, in order to establish such a division of employment as might enable them to raise subsistence for nine, then the surplus of production above the expenditure creating it, would be fifty per cent. A farmer, cultivating 100 acres, and advancing subsistence to the three agricultural labourers employed upon the soil, and to the three mechanics who supplied them with secondary necessaries, would obtain subsistence for nine; or, in other words, would replace his advance of subsistence for six, with a surplus of 50 per cent.

I believe that the examples and illustrations which I have now detailed, will be sufficient to establish the principle, that the price demanded for waste land in a new colony, should be sufficient

to convey to the colony, not merely the quantity of labour requisite to cultivate the land in the most effectual manner, but the further quantity necessary to the establishment of such a division of employment, as will enable the cultivators to devote their combined labour exclusively to the soil. In the first place, it is the obvious interest of the settler, in a new colony, to pay for his land such a price as may secure to him such a quantity of hired and combined labour, as will cultivate the soil in the most effectual manner. Thus, if the combined labour of two men, upon 100 acres, can raise subsistence for four, while the combined labour of three can raise subsistence for nine, it would be better for the settler to pay 45*l.* for his 100 acres, with the advantage of three hired labourers, than to pay only 30*l.*, and have only two hired labourers.

Again, it is the obvious interest of the settlers, in a new colony, to be charged, in the price of their land, for the conveyance to the colony of such a quantity of mechanical labour, as will allow of the combined exertions of their agricultural labourers to be exclusively devoted to the soil. If three cultivators cannot combine their labour exclusively upon the soil, unless seconded by three mechanics and manufacturers, then it would be better for the settler to pay 90*l.* for 100 acres of land, and to have the advantage of a sufficient supply of mechanical labour in his neighbourhood, than to pay only 45*l.* for his land, and to be under

the necessity of employing the three cultivators, conveyed to the settlement with that sum, in the various occupations of mason, carpenter, smith, shoemaker, and tailor. In the latter case, the productive powers of industry would be so low, that scarcely any surplus could be created. In the former case, the three cultivators, if working upon a soil of moderate fertility, might raise a produce equivalent to subsistence for nine; and thus, in addition to the maintenance of themselves and the three mechanics supplying them with secondary necessaries, create a surplus, or profit, of 50 per cent. upon their consumption.

Having thus endeavoured to explain the general principles, according to which the sale of waste lands in new colonies should be regulated, I proceed to consider the important practical question, how far these general principles may be liable to modification and limitation, in their application to the particular circumstances of the new British province of South Australia.

It requires about three labourers to cultivate 100 acres of land, in the most profitable manner. But, as the first agricultural settlers in the new colony would probably perform a part of the labour themselves, two hired labourers, for each 100 acres, may be considered, in the first instance, as sufficient. The Act of Parliament for establishing the new colony, requires that the emigrants, receiving a free passage, shall consist of both sexes, in equal numbers; and, therefore, if two males are

sent out to cultivate 100 acres, two females must be sent out with them. The cost of the passage for each adult will be 15*l.*; and, therefore, the price of 100 acres of land, with the advantage of two agricultural labourers for hire, cannot be less than 60*l.*, or 12*s.* per acre.

To enable the agriculturists to apply their combined labour to the soil, it is indispensable that there should be a class of artificers. But, as some of the more opulent emigrants would most probably take out houses in frame, and as, in the fine climate of South Australia, many settlers might, at first, live in tents, or slightly-constructed huts, the proportion of mechanical labour required by the settlers in the colony, during the first year, would not be great. During the first year, the proportion of one mechanic for one farmer and two husbandry labourers, would probably be found sufficient. To convey a mechanic and his wife to the colony, would require 30*l.* To the first settlers, therefore, the maximum price of 100 acres of land need not exceed 90*l.*; that is, 60*l.* for the passage to two husbandmen and their wives, and 30*l.* for that of one artisan and his wife.

It does not follow, however, that it would be necessary, or even expedient, to charge this price to the first emigrants, who should settle in the new colony. A supply of labour, sufficient to secure co-operation, and division of employment, might be procured, without calling upon the first settlers to defray the cost of conveying it to the colony. The

South Australian Commissioners are empowered, by the Act of Parliament, to borrow a sum not exceeding 50,000*l.*, on the security of the future sales of colonial lands, and to employ the money, thus borrowed, in conveying labourers to the colony. It is expedient and just, that, in the first instance, the expense of sending out the requisite supply of mechanical labour, should be defrayed out of those anticipated sales. In the first instance, a great part of the mechanical labour sent out, will be employed on public works, the benefit of which will not belong exclusively to the earliest settlers, but will be participated in by all other settlers, as they successively arrive in the colony; and, therefore, it would not be equitable to charge the earliest settlers, in the price of their land, with the cost of conveying the due proportion of mechanical labour. Again, upon the first settlers, all the principal difficulties and privations, attendant upon the formation of a new society, in a desert land, must necessarily fall. They will be entitled to encouragement and compensation; and the most obvious and valuable encouragement and compensation which the circumstances of the case can afford, will be to allow them to purchase land at a lower price than that which is ultimately to be fixed as the minimum price of waste land in the colony.

For these reasons I am disposed to think, that for the first year, the price of 100 acres of land in the new colony, should be fixed at a sum not exceeding that which will be sufficient to pay the

passage of two agricultural labourers and their wives. Should the Commissioners, appointed under the Act for colonizing South Australia, concur in this opinion, the price of 100 acres of land, to the first settlers, will be 60*l*., or 12*s*. per acre.

The principle upon which waste land in a new colony should be sold, is, that the price of the land should include the cost of conveying to the colony the quantity of husbandry labour requisite to till the land in the most effectual manner; and also the quantity of mechanical and manufacturing labour necessary to establish division of employment, and to enable the cultivators to apply their combined labour exclusively to the soil. Though it may be deemed expedient and just, to apply this principle, with some limitation, at the first settlement of a new colony, while the earliest settlers who purchase land, are themselves labourers, and while the labour of the mechanic is chiefly demanded for public works, yet this important and fundamental principle of colonisation should never be lost sight of, and should be brought, as speedily as possible, into full operation. To cultivate 100 acres in the most effectual manner, requires three hired labourers, and to convey three labourers, with three females, as the Act directs, will cost 90*l*. Again, as the colony advances, the most beneficial divisions of employment cannot be established, unless the non-agricultural labourers are equal in number to the labourers engaged in tillage; and, therefore, for every hundred acres of land sold, six men and

six women should be conveyed to the colony. This would cost 190*l.*, or 36*s.* per acre, and, consequently the price of 100 acres of waste land should gradually but speedily be raised to this sum.

There is another circumstance, the consideration of which may probably convince you, that it would advance the prosperity of the colony, to raise the price of waste land to 2*l.* per acre. The Act of Parliament empowers the commissioners to grant leases of the unappropriated lands for the purposes of pasture; and as wool is the most valuable article of exportation from Australia, extensive tracts will be taken on lease, for the feeding of sheep; and the settlers will require, in addition to the husbandry labourers employed upon the arable land, a number of shepherds, to attend the flocks spread over the hired pastures. In order to pay for the passage of these additional labourers, and to make up the loss occasioned by casualties upon the voyage, the price of waste land in the colony, after the difficulties of the first settlement were overcome, should be fixed at not less than 2*l.* per acre.

To those who may suppose that 2*l.* per acre is too high a price for waste land, in a new colony, I submit the following consideration.

If Kangaroo island were removed from the south coast of New Holland, to the south coast of England, no one can doubt, that fertile arable land, upon Kangaroo Island, might then be readily sold at the rate of 20*l.* per acre. Now, what are the

specific causes which, in the case supposed, would confer this high value upon soil, at present waste and valueless? The causes are these—the means of cultivation, and the neighbourhood of a market. The settler upon Kangaroo island, when that island was brought into the British Channel, could, without difficulty, procure as much labour for hire as would enable him to cultivate in the most productive manner; and would find, from his vicinity to opulent consumers, a ready demand for the produce he might raise.

Now, would not the effect, upon the value of waste land in Kangaroo island, be precisely the same, if we were to reverse this process; and if, instead of bringing the island to the vicinity of labour and of markets, we were to take labour and markets to the vicinity of the island! It is evident that a given number of labourers, working on Kangaroo island, could raise the same quantity of produce, whether the island came to the labour, or the labour went to the island; and it is equally evident, that if a non-agricultural class, planted on the shores of South Australia, were earning as high wages and as high profits as are earned in England, they could afford to pay the same price for agricultural produce which is paid for it in England. But, if these things are evident, it must also be equally evident that, in the new Australian colony, 2*l.* per acre, instead of being an exceedingly high, will, on the contrary, be an exceedingly low price for waste land. The principles upon which

the colony is founded, if carried out to their full extent, are calculated to surround the agricultural settler with circumstances as favourable to productive tillage, and to the value of farm produce, as those which exist in England; and yet, at the price of 2*l.* per acre, the fee-simple of a farm in the new colony might be procured for a sum scarcely exceeding the rent, tithes, and taxes, paid in a single year, for a similar farm in England. Land, in the new colony, instead of being extravagantly dear, would be, in fact, remarkably cheap at 2*l.* per acre.

In concluding this important branch of the subject, it is proper to remark, that though it is impossible, prior to experience, to predict with precision what the price of the public land in the new colony should be, yet the principles which should guide the commissioners, in determining that price, may be laid down with sufficient distinctness and confidence. The public lands in the New Province, should be sold at a price sufficient to secure the accomplishment of the three following purposes. The price should be sufficient to convey to the colony the number of agricultural labourers requisite to cultivate all the land purchased, in such a manner as to raise the greatest quantity of produce, in proportion to the number of hands employed; it should be sufficient to convey to the colony the number of artisans requisite to allow a division of employment, and to permit the agricultural class to apply combined labour exclusively

to the soil; and it should be sufficient to prevent the labourers, who received a free passage to the colony, from becoming landed proprietors, until after they had remained, as hired labourers, for such time as might be requisite to allow other labourers to be brought out to supply their place.

The adoption of this third principle is essential, in order to secure the benefits expected from the application of the other two. If land can be obtained at a price so low, that the labourers receiving a free passage to the colony, may become landed proprietors, and cease to work for hire, before other labourers have arrived to take their places, there can neither be combined labour upon the soil, nor division of employment between cultivators and artisans; the productive powers of industry will be feeble, and the new colony, instead of starting into instantaneous prosperity, will be doomed, like all other first settlements, where combined labour and division of employment have been wanting, to languish through a long period of difficulty, privation, and disaster.

What should be the price of public land, in order to prevent the labourers, conveyed to the colony, from becoming proprietors, before other labourers can be brought out to work for hire in their stead? This is a question of the most vital importance, and, fortunately, it admits of a clear and satisfactory solution. The maximum price of public land should be regulated according to the customary price of labour. If the average wages of common

labour should rise only so high as to enable an industrious labourer to effect moderate savings, the price of public land should be so moderate, as to allow of his purchasing, out of these moderate savings, a freehold of moderate extent, in the moderate period of three or four years. On the other hand, should the average wages of common labour run so high as to enable the industrious labourer to effect large savings, the price of public land should be fixed so high, as to prevent his becoming a landed proprietor and cultivator, upon his own account, before he had worked for hire for a period of three or four years.

When we have determined the period, during which it is expedient that the labourers, who obtain a free passage to the colony, should continue to work for hire, it becomes a simple question of arithmetic, what the price of public land should be, under any actual average rate of wages. I have inserted, in the Appendix, two very able letters, signed "Kangaroo," and "A. B.," which appeared in the *Spectator* newspaper, upon the important subject of the price of public land in the new colony. In the first of these letters, the proper price of public land is calculated at 3*l.* 12*s.*, upon the assumption that wages are 40*s.* per week, and that an industrious labourer in the new colony may be able to save 20*s.* per week. You will immediately perceive that, upon the principles so ably and clearly stated by Kangaroo, a much lower price of land would be sufficient, to maintain an adequate supply

of labour for hire, were the customary rate of wages not to average above 25*s.* or 30*s.* per week. The practical rule, with reference to retaining the emigrants receiving a free passage in the state of hired labourers, for a sufficient period, is to fix the price of public land according to the customary rate of wages in the colony.

I. *The Reviewer's Mathematics.*
II. *Extraordinary advantage to be realized by the early purchase of Land in the New Colony.*

I. The Reviewer appears to entertain a notion, that he can argue with mathematical precision. The following passage contains his pretended demonstration, that, by paying 12*s.* an acre for his land, a settler, in the new colony, must be ruined.

" Men go to colonies to better themselves. Here " is a colony, by Act of Parliament, where *nobody* " shall better *themselves**. Let an example or two " be taken. A small farmer saves from the wreck " of his property, say 500*l.*, and determines to emi- " grate to the new colony, and then to become a " proprietor. Supposing him to be without the in- " cumbrance of a family, he will pay for his passage " 50*l.*, being the lowest charge yet exacted for a " cabin passage from Liverpool. He takes 200 " acres of land, which, at the enormous price of 12*s.* " per acre, will be 120*l.* His fund has now dimi-

* The Reviewer's knowledge of English grammar appears to be on a par with his proficiency in mathematics.

" nished to 330*l.* The clearing and cropping for " one year, of no more than 25 acres, allowing this " to be effected as cheaply as it is now done in New " South Wales, will cost 125*l.*, leaving a balance of " 205*l.* only. A framed cottage, such as is used in " similar circumstances in New South Wales, will " cost, if as cheap as in the latter country, 100*l.*; " and then there will remain of the original 500*l.* " only 105*l.* Let it be supposed that the remaining " 175 acres, after 25 have been brought into culture, " are at once fit for pasture, then there will require " for stock, at the present New South Wales prices, " where ewes cost but 15*s.*, and cows 30*s.*, about " 55*l.*; so that there will remain, for the mainte- " nance of the farmer, and for furnishing his house, " only 50*l.* The adventurer, however, cannot expect " to get his stock at any such rate. Its cost, at the " first formation of the new colony, and long after- " wards, will be at least four times as great, or " 220*l.*; so that he will have only 10*l.* to live upon, " in a country where every necessary of life must be " imported from a distance of 700 or 1200 miles. " In fact, he will be beggared the very first year. " The case of the capitalist will be no better: if he " brings 1000*l.* into the colony, and purchases, as " such a capitalist *must do*, to carry on the opera- " tions of husbandry in a manner suitable to the " character of the country, a thousand acres of " land."

It must be freely admitted that, in this passage, the Reviewer has succeeded in demonstrating that over-trading is injurious. He has made the very

original and novel discovery, that a man with 500*l.* or with a 1000*l.*, may ruin himself the first year, by buying more land and more stock than he can pay for. The discovery of this important principle does not, however, go the whole length of proving the Reviewer's position, that, in the new colony, "no *one* can benefit *themselves*." In order to complete his proof, it is necessary that he should make another discovery, and that he should show, not merely that a man *may* be ruined by buying more land and stock than he can pay for, but that there exists, in South Australia, some occult cause which *must* constrain a colonist, with 500*l.* or 1000*l.*, to buy more land and stock than he can pay for. Until the existence of this mysterious cause shall be proved, upon sufficient evidence, I must be permitted to believe that settlers, in the new colony, will not be more liable than other persons to fall into the error of over-trading; but that, in the great majority of instances, they will regulate their transactions by the amount of capital which they can command. Regulating their transactions in this way, the colonists, instead of ruining themselves in the first year, as gratuitously and most absurdly assumed by the Reviewer, would realize a rapid increase of property. Let us take an example, and contrast it with the case of over-trading exhibited by the Reviewer.

A farmer possessing 500*l.*, pays 50*l.* for his passage to the colony. When there, he purchases, not 200, but 80 acres, at 12*s.* per acre, paying for his lot, not 120*l.*, but 48*l.*; he clears and crops the

first year, not 25, but $12\frac{1}{2}$ acres, at a cost, not of 125*l.*, but 62*l.* 10*s.*; and he purchases a framed cottage for 100*l.* Deducting these several outlays from his original capital of 500*l.*, the settler will have 240*l.*, for the purchase of stock to be fed on the natural pastures which he might occupy for a nominal rent. Though the Reviewer hazards the monstrous assertion, that the price of stock would be four times greater in the new, than in the old Australian colonies, yet the settler could not fail to purchase his flocks at their actual prices, in Van Dieman's Land, increased by the cost of freight for a week's voyage. By a table of prices given by the Reviewer himself, from "Prices cur- "rent of Sydney and Hobart Town, very recent," a sheep may be purchased in the old colonies, for 7*s.* 6*d.* Allowing 2*s.* 6*d.*, or 33 per cent. for the cost of a week's voyage, sheep will be sold in the new colony for 10*s.* a head. Our settler, therefore, out of his remaining 240*l.*, may purchase a flock of 400 sheep for 200*l.*, and still have a surplus of 40*l.* for the purchase of provisions, and for casual expenses during the first year. "Let us "see how, at the end of this first year, the account "of the colonist would stand?"

From his twelve acres, cleared and cropped, he might have a crop of wheat, averaging 20 bushels per acre, which, at the Australian prices given by the Reviewer, of 7*s.* 2*d.* per bushel, would be worth 86*l.*; his flock, with the wool, and with its annual increase of at least 50 per cent., would now be

worth 300*l.*; his cottage would continue to be worth the 100*l.* he had paid for it; and his land, now greatly improved, and acquiring additional value from the influx of settlers demanding more distant tracts, would be worth more than the minimum price of 12*s.* an acre, which he paid for it, even if the minimum price of public land should not be raised above 12*s.* per acre, after the first year. But, to carry out the principles upon which the colony is to be established, the minimum price of waste land ought not to be less than 40*s.* per acre after the first year; and, therefore, the land of our first settlers, partly cleared, and near to the market, could not be worth less than 45*s.* per acre. The account of the property of our first settler, who went out in the first year of the colony, with 500*l.*, and purchased 80 acres, would, at the end of his first year, stand thus: wheat, 86*l.*; flock, 300*l.*; cottage, 100*l.*; 80 acres of land, at 45*s.* per acre, 180*l.*; in all 660*l.* Thus, our first settler, after having expended 50*l.* for his passage, and 40*l.* for his provisions during the year, would nevertheless have added 32 per cent. to the original capital with which he had embarked.

It is acknowleged that the Reviewer has succeeded in demonstrating the fact, that a man who cannot swim, will be drowned if he plunges out of his depth; and, without finding fault with the demonstrations upon which so formidable an array of figures is put forth, I only contend that there is no necessity why so fatal a catastrophe should over-

take the less hazardous adventurer, who gathers gold dust on the shore. I receive, for what it is worth, the Reviewer's profound and novel discovery. He has shown, by an example, the way in which a settler in the new colony, not encumbered with a family, and with 500*l.*, or with 1000*l.*, may be ruined by buying more land and stock than he can pay for; and I merely wish to show, by another example, the way in which a settler in the new colony, incumbered with a family, and possessing not 500*l.* or 1000*l.*, but only 250*l.*, may acquire a rapid increase of property, by avoiding the error of over-trading, and regulating his transactions by the amount of capital he can command.

II. Let us suppose that a small farmer, possessing 250*l.*, and having two grown-up sons and two daughters, all without property, is desirous of settling in the new colony, and arranges with commissioners for the purchase of 100 acres of land, at 12*s.* per acre. This will cost him 60*l.*; but as his four children are without property, they are, by the regulations of the colony, in the condition to receive a free passage; so that, for his 60*l.*, the settler obtains 100 acres of land, and a passage to the colony for his four children. If satisfied with accommodation similar to that provided for his family, he will pay only 15*l.* for his own passage, and will arrive upon his freehold after having expended 75*l.* out of his original sum of 250*l.* With the remaining sum of 175*l.*, he will pay 100*l.*

for 200 sheep, and 75*l.* for provisions. With the combined labour of his family, he will erect a rustic cottage, of earth and boughs, which, in that unequalled climate, will afford sufficient shelter for the first year or two; he will raise potatoes and garden vegetables; and he will clear and crop 25 acres of wheat. Let us now estimate the value of his property at the expiration of the first year.

The value of his flock, including their fleeces, will have increased by 50 per cent., and will be worth 150*l.*; his 25 acres of wheat, averaging 20 bushels per acre, at 7*s.* 2*d.* per bushel, will be worth 179*l.*; and his 100 acres of land, increased in value from 12*s.* to 45*s.* per acre, from the causes stated in the preceding example, will now be worth 225*l.* Thus, leaving out of the account his crops of potatoes and of garden vegetables, which we suppose to have been consumed by his family, our small farmer and his four children, who left England with only 250*l.*, will possess, after one year's residence in the colony, property to the amount of 554*l.*, with the most gratifying prospects of future prosperity opening before them.

To a farmer who may possess a small capital of 200*l.* or 300*l.*, who has grown-up children, not possessed of any property, and therefore in a condition to receive a free passage, who is content during the voyage with the same accommodation which is provided for his family, and who is willing to combine his own labour with their's, in the cultivation of his land, the new colony of South

Australia will present the most decided advantages, and will open a certain prospect of realizing an extraordinary and rapid increase of wealth. But the means of acquiring a rapid increase of wealth, will not be confined to agricultural settlers possessed of small capitals. Capital to almost any amount, may be employed with extraordinary advantage in the early purchase of colonial land. The following well-authenticated facts will show, experimentally, what fortunes may be realized by land speculation in newly-settled countries. Mr. Stuart, in his interesting work on the United States of North America, states as follows :

" The population of Troy has increased from 3000, in 1810, to 12,000, in 1830. Property is very valuable. A tenement, 65 feet by 25 feet, was pointed out to me as having been lately sold for 4,000 dollars.

" Large fortunes have been made (at Rochester, which in 1818, contained 1000 inhabitants, and in 1828, 13,000), by the purchase and sale of building lots. A million of acres are rapidly increasing in value. In fact, the extent of country which the United States have acquired, since the Treaty of 1783, far exceeds 300,000,000 of acres in the very heart of their territory, besides the boundless regions of the north and north-west. A great proportion of this prodigious extent of country remains with the general Government, and must, in the course of years, produce to the United States *some thousand millions of dollars.*"

The Rev. J. Fidler, in his *Observations on the United States and Canada*, gives the following information respecting the rapid increase of the value of land, in the neighbourhood of new settlements:

"The value of land in Canada, is increasing rapidly and regularly. For instance, "Younge Street was first settled thirty-seven years ago. At that time, land upon it was given away to any one who applied. A lot of about 200 acres, is now worth from 1000*l.* to 2000*l.*, on many parts of Younge Street. Land has generally been found to double itself every three or four years."

Mr. Pickering, author of *the Emigrant's Guide to Canada*, published in 1830, says—

"Building lots of land in York, within the last year or two, have risen in value very fast, on account of the seat of Government being decided to remain here for some years to come. From Niagara to Queen's Town, and indeed round the head of the lake, to Dundas, Ancaster, and Hamilton, land is from 30*s.* to 4*l.* 16*s.* per acre."

The Duke of Rochefoucault Laincourt, who travelled in America in the years 1794, 1795, and 1796, makes the following important statements:

Vol. I. page 6. "Land in the neighbourhood of Philadelphia, is worth 80 dollars per acre; six years ago, it was only worth 42 dollars."

Vol. I. page 77. "General Hand bought, five years ago, the estate on which he resides, two miles from the town, for twenty-five dollars per

acre; and has lately refused 100 dollars, which were offered him. The price of land has risen in the same proportion throughout America, as land in the cultivated parts."

Vol. I. page 98. "The price of ground shares, in the town of Harrisburgh, founded eight years before, is from 150 to 200 dollars per acre; the land in the surrounding country, is from 32 to 48 dollars per acre."

Vol. III. page 242. "The settlement of the country, between Harford's Ferry, Coosootry mountains, is just beginning. Land fetches from seven to eight dollars per acre."

Vol. II. page 33. "The land here (Echuyleston), which in 1745 cost a few pence an acre, and three years ago, not more than five dollars, is now sold, not merely in the vicinity of the town, but also 15 miles beyond it, for 19 or 20 dollars per acre."

Vol. IV. page 161. "Belvidere consists of about 20 houses, but the number of inhabitants is annually increasing, and the neighbourhood is populous. Lands in the neighbourhood, are sold at from 40 to 48 dollars the acre. The town lots, which are a quarter of an acre, being at present from 100 to 125 dollars."

Vol. I. page 261. "Metcalf, three years ago, purchased his estate for 1*s.* per acre. Of the thousand acres he then bought, he has already sold 500 and upwards, at from one to three dollars, and

some have fetched 25 dollars. The profits which are made, by speculations in land, all over America, are great, beyond calculation."

The concurrent testimony of the most competent witnesses, authenticate the fact, that the increase in the value of landed property, in the settled districts of New South Wales, and of Van Dieman's Land, is at least as rapid as it is in the settled districts of Canada, and of the United States. In confirmation of this, I beg to call your attention to the following quotations from recently-published accounts of the colonies of New South Wales and Van Dieman's Land:—

"The price of land, it is almost needless to observe, is entirely regulated by its situation and quality. In the towns, it is as various as in the country; nor is there any place in which the variation in value is so great as in the town of Sydney itself. There, it ranges from 50*l.* an acre, to 1000*l.*

"In the course of thirty years, the tract of land in question (the banks of the Hawkesbury), taking the unimproved land as our criterion, has evidently risen to this enormous price from having been of no value whatever; or, in other words, each acre of land has increased in value, during the interval which has elapsed since the foundation of the colony, *at the rate of three shillings and two-pence half-penny* per annum; and that too, under the most impolitic and oppressive system (of govern-

ment) to which any colony perhaps was ever subjected." — Mr. WENTWORTH, *of New South Wales; author of an Account of Australia.*

"In the year 1831, Mr. Wentworth sold near two acres of land, situated in the main street, and near the King's Wharf, Custom House, Sydney, for 7,800*l.*, the whole of which, ten years previously, might have been bought for 350*l.*"

"In 1828, Mr. Unwins bought six acres of land on the Surrey Hills, about one mile from Sydney, for 650*l.*; and in 1830, the same land was resold for 1,800*l.*

"Early in 1828, Madame Rens bought at auction a piece of ground in the main street of Sydney, on the site of the old Orphan School, comprising a frontage of 150 feet, and depth of 80 feet, for 1,200*l.*; and in 1829 sold half of the same plot to Mr. Horton James, for 1,800*l.*

"Building allotments in Sydney Town, in a fair situation, comprising a frontage of 60 feet, and a depth of 80 feet, could be readily purchased in 1825, for from 70*l.* to 150*l.* In 1830, they usually brought at auction from 600*l.* to 1,500*l.*, according to their situation."—Mr. BOUCHER, *of New South Wales.*

"Hobart Town, the capital, is increasing in extent, with amazing rapidity. The ground in the neighbourhood, is proportionably rising in value. To give you an idea of this, I am just now in treaty for 100*l.* worth of land, which six years ago sold for 4*l.* per acre, and is now valued at 40*l.*

Adjoining to houses in Hobart Town, land sells at 300*l.* per acre; my purchase is not a quarter of a mile off. The city will spread there in five years, and then it will be worth 750*l.* There are spots of land within the town, actually worth 2,000*l.* per acre."—*Journal of a Voyage from Calcutta to Van Diemen's Land, by* PRINSEP.

Thus, an enlarged experience, extending from one extremity of the earth to the other, establishes the general fact, that landed property, in the settled districts of new countries, increases in value with extraordinary rapidity. Respecting this general fact, there can exist no doubt. The only question for the consideration of those who may contemplate the purchase of land in the New Australian colony, is simply this: Are the arrangements proposed to be adopted in this new colony, calculated to retard, or to accelerate, that rapid increase in the value of land, by which in North America, in New South Wales, and in Van Diemen's Land, fortunes have been suddenly realized?

If you will consider this question with the attention which its importance demands, you will be convinced that the arrangements which it is proposed to adopt, in establishing the New Australian Colony, must cause the value of land, in that colony, to increase with a rapidity, far exceeding that with which the value of land has been known to increase, either in North America, or in the other Australian settlements. In a new settlement, the increase in the value of waste land

is in proportion to the increase in the amount of the population. Now, the arrangements for selling the waste land of the new colony, at a price not less than 12*s.* per acre, and for applying the whole proceeds of such sales, in taking out young men and women, of the breeding age, in equal numbers, will cause, as well by immigration as by births, a multiplication of people hitherto unexampled in the world. This increase of population, so greatly exceeding the ratio of increase experienced in North America, or in New South Wales, even if it were unaided by other circumstances, would naturally occasion, in the settled districts of the new colony, a more rapid increase in the value of the land, than that which takes place either in North America, or in New South Wales. But there is another, and a still more effectual cause, which may be expected to co-operate in producing the same effect. This other cause, which may be expected to give to the value of the soil, in South Australia, a more rapid ratio of increase than that which is experienced in other new countries, deserves the attention of all those who contemplate the improvement of their fortunes by the purchase of colonial lands.

I have already shown that, according to the principles of colonisation, upon which it is proposed to settle the new British Province of South Australia, the minimum price of public land should be fixed sufficiently high, to create an emigration fund adequate to convey to the colony, not only

the number of agricultural labourers which may be requisite to cultivate the appropriated land, in the manner calculated to raise from it the greatest quantity of produce, in proportion to the number of hands employed; but also, the number of non-agricultural labourers which may be necessary, in order to allow the agricultural labourers to apply their combined labour exclusively to the soil. I have also shown that the general principles, according to which the minimum price of waste colonial land should be determined, though they ought ultimately to be carried out to their fullest and most beneficial extent, are yet liable to considerable modification and limitation, in their application to the particular circumstances of a new colony, on its first establishment. Should the view which I have taken of this important question, be concurred in by the Commissioners under the Act for erecting South Australia into a British province, the first 60,000 acres, including the site of the principal town, and the seat of Government, will be sold at the price of 12*s.* per acre; and, after the first 60,000 acres have been disposed of at this rate, the minimum price of all public lands, throughout the province, will be raised to 2*l.* per acre. By the adoption of this mode of disposing of land, enormous profits will be realized by the purchasers of the first 60,000 acres; for as soon as the population of the colony increases, so as to create a demand for a greater quantity of land than 60,000 acres, the lowest price of uncleared land, throughout

the colony, will rise to 2*l.* per acre, and the purchasers of the first 60,000 acres, even should they have permitted their allotments to remain unimproved and waste, will realize, upon their purchase-money, a profit of upwards of 200 per cent. This enormous profit would be the certain, and indeed the necessary result, of bringing into gradual operation, in the manner I have suggested, those principles for the disposal of public land, upon which the new colony is to be founded, and would be wholly distinct from, and over and above, that rapid increase in the value of landed property, which is experienced in those colonies in which public land is either given away, or sold at the low price of 5*s.* per acre.

Should the commissioners frame their regulations for the disposal of public land in the new province, upon the principle of selling the first 60,000 acres, at 12*s.* per acre, and of then raising the price to 2*l.* per acre, it will become a point of great importance, to the purchasers of the first 60,000 acres, to ascertain the probable time, at which the increasing population of the colony, will create a demand for a greater quantity of land than 60,000 acres. This important point may be ascertained with tolerable certainty. The population of Van Diemen's Land, in the beginning of the year 1834, was 31,551 souls; and the total number of acres granted and sold in the colony, up to the same period, was 2,153,740. Now if, in round numbers, a population of 31,500, creates a

demand for 2,100,000 of acres, a population of 900 will create a demand for 60,000 ; and, consequently, if the proportion between the amount of population and the demand for land should be equal, in the New Australian Province and in Van Diemen's Land, then, in the New Province, there will be a demand for more than 60,000 acres as soon as the population shall exceed 900. But the sale of 60,000 acres, at 12*s.* per acre, will yield an emigration fund of 36,000*l.*, and, at the rate of 15*l.* per head, this sum will convey to the New Province, a population of 2,400. Assuming the proportion between population and the demand for land to be the same in the New Province as in Van Diemen's Land, this would create, in the New Province, a demand, not merely for 60,000 acres, but for upwards of 160,000 acres.

It will probably be contended, that the proportion between the amount of population, and the demand for land, may not be the same in Van Diemen's Land, and in the New Province; that, in the New Province, combined labour and division of employment, will cause any given extent of land to yield a greater quantity of produce, than in the other Australian colonies; and that the greater quantity of produce, obtained from a given surface, will cause a given population to demand a less quantity of land.

In reply to this objection, it might be fairly urged, that there is no necessity why increased productiveness should cause a given population to

demand a less quantity of land. Increased productiveness will cause a less quantity of land to be required for supplying food, but may occasion not a less, but a greater extent of territory, in proportion to the population, to be demanded for supplying superfluities, and raising a surplus for exchange. But it is unnecessary to meet the objection in this way. Let us admit it to be valid; let us grant, that in the New Province, combined labour, applied exclusively to the soil, will raise, from any given extent of land, five times the quantity of produce which is raised from the same extent of land in Van Diemen's Land; and let us concede, that this increased productiveness will cause any given amount of population, in the New Province, to demand only one-fifth of the quantity of land which the same amount of population demands in Van Diemen's Land. After all these ample, these extravagant concessions, it will still be seen, that in a few months after the settlement of the New Province, the demand for land will exceed the supply of 60,000 acres, sold at the first minimum price of 12*s.* per acre, and will enable the purchasers of these 60,000 acres to realize that extraordinary increase in the value of their property, which must result from raising the future minimum price of public land sufficiently high, to carry out, to their fullest and most beneficial extent, the principles, as to the disposal of public land, upon which the New Province is to be settled.

The price of the first 60,000 acres, if sold at 12*s.* per acre, will amount to 36,000*l.*; and the Act of Parliament erecting South Australia into a British Province, allows the commissioners to borrow, on the security of future sales, the sum of 50,000*l.*, for the conveyance of labourers to the province. The whole emigration fund at the disposal of the commissioners in the first year, may amount to 86,000*l.*; this, at the rate of 15*l.* per head, will convey to the colony 5,733 adult labourers of both sexes, in equal numbers; and this population, increased by births, and by the emigrants who would pay their own passage, would give, in the first year, a population considerably exceeding 6,000. In Van Diemen's Land, a population of 30,000 has created a demand for land, to the extent of 2,000,000 of acres; and, should the same ratio be preserved in the New Province, a population of 6,000, would create a demand for 400,000 acres. But we have made the concession, that in the New Province, a given amount of population will require only one-fifth of the quantity of land for which the same amount of population has created a demand in Van Diemen's Land. In accordance with this concession, a population of 6,000 will create a demand, not for 400,000 acres, but only for one-fifth of that quantity, or 80,000 acres. Thus you see, that even upon the supposition that the quantity of land which is occupied by a given population in Van Diemen's Land, is greater, by five-fold, than

the quantity which will be occupied by the same amount of population in the new colony—even upon this supposition, there will be, in the new colony, a few months after its first establishment, a greater demand for land than the 60,000 acres, sold at the first minimum price of 12*s.* per acre, can supply; and the purchasers of these 60,000 acres, in addition to that rapid increase in the value of landed property, which takes place in the settled districts of other new countries, will realize the difference between the first minimum price of 12*s.* per acre, and the higher minimum price, ultimately fixed, in order to carry out, to their full extent, the principles, respecting the disposal of waste land, upon which the new colony is to be founded.

Our information, as to the proportion between the amount of population and the quantity of located land, is not so recent, with respect to New South Wales, as it is with respect to Van Diemen's Land. In the year 1828, the quantity of land already located was 3,000,000 acres; and by the census taken in that year, by the order of Governor Darling, the population amounted to little more than 37,000 souls. Dr. Lang, in his *Historical and Statistical Account of New South Wales*, supposes that the census then taken was incorrect. But if we concede, that the census was deficient by 8,000 souls, and that the population, in 1828, was 45,000, instead of 37,000, we shall still have,

after this concession, the same proportion between population and appropriated land in New South Wales, as that which exists in Van Diemen's Land. But, notwithstanding the great quantity of land, in proportion to the population, which has been appropriated, there continues to be, in New South Wales, an extensive and increasing demand for additional locations. I request your attention to the following facts, communicated in a letter now before me, addressed to Mr. Robert Gouger, by Mr. Holden, private secretary to the governor of New South Wales.

"Land is selling very rapidly. The large "profits which the late high prices of wool have "yielded to the settlers, they are laying out in "adding, not field to field, like the proprietors of "other countries, but square mile to square mile, or, "in colonial language, section to section. Under "peculiar circumstances, such as commanding water "for a considerable extent, land, at a great distance "in the remote interior, sells at above the minimum "price. Three sections at Yass Plains, about 300 "miles from Sydney, were sold by the collector of "internal revenue, for between 9*s*. and 10*s*. per "acre. This is within a few miles from the Mur-"rumbidgee, a region which a few years ago, was "visited by explorers, with a view to obtain the "reputation of discovery."

The Murrumbidgee, on whose banks these extensive purchases have been made, unites its

waters to those of the Great Murray River, which, with its tributary streams, is navigable for a thousand miles, and which, after flowing for some hundred miles, through the alluvial plains of the New Province, falls into Lake Alexandria, having a communication with the ocean by a shallow channel, of only a few miles in length. If, on the banks of the Murrumbidgee, three hundred miles from Sydney, the demand for land is so intense, that settlers are found, even in this remote region, eager to add, "not acre to acre, but square mile to square mile," how much more intense, on the establishment of the New Province, will be the demand for land on the banks of the Murray, and in the immediate vicinity of the principal settlement! Before the expiration of the first year, the demand for land will exceed the first supply of 60,000 acres, sold at the minimum price of 12*s.* per acre. To carry out, to their full extent, the principles, respecting the disposal of public land, upon which the new colony is to be founded, the minimum price of waste land, after the expiration of the first year, must be raised to 2*l.* an acre. In this event the purchasers of the first 60,000 acres will realize a profit of 84,000*l.*, being at the rate of two hundred and thirty-three per cent. upon their original purchase-money.

To this view of the subject, an objection may perhaps be raised. It may be urged, that, in New South Wales, land has not been *sold*, but

has been *given away*; that, in the new colony, the first 60,000 acres, instead of being *given away*, are to be *sold* at 12*s.* per acre; that this difference in the mode of appropriation may cause five persons in the new colony to demand a less quantity of land than one person in New South Wales; and that, therefore, the preceding calculation is not based upon a sufficiently ample concession.

There is a conclusive answer to this objection. The preceding calculation proceeds upon the assumption, that, in the New Province, the price of public land, after the first 60,000 acres have been appropriated, is to be raised from 12*s.* to 2*l.* per acre. Now, should this mode of disposing of land in the new colony be adopted, it must occasion, amongst the first settlers, an active competition to obtain as much land as possible, at the original price of 12*s.* per acre. Nay, this mode of disposing of land, holding out the certainty, that, as soon as the first 60,000 acres shall be disposed of, their value must rise from 12*s.* to 2*l.* per acre, would create amongst monied capitalists, an extensive *speculative demand* for the first locations. Under the proposed arrangement, the permission to purchase 1000 acres in the new colony, at 12*s.* per acre, would be very far more valuable than was the free grant of 1000 acres, in New South Wales, or in Van Diemen's Land. In New South Wales, *a free grant* of

1000 acres on the banks of the Yass or of the Murrumbidgee might, in a short period, be worth to its possessor, 10*s.* per acre, or 500*l.* But in the new colony, under the proposed arrangement for disposing of public land, *the permission to purchase* 1000 acres, at 12*s.* per acre, on the banks of the Murray, or of Lake Alexandria, would speedily be worth the difference between 12*s.* and 2*l.* per acre, being 1900*l.* The probabilities are, that permission to purchase portions of the first 60,000 acres in the new colony, will be more eagerly sought, than were free grants in the elder Australian colonies; and that, in the first instance, and until after these 60,000 acres have been appropriated, the demand for land will bear a greater proportion to the amount of population in South Australia, than in New South Wales. Under the proposed arrangement, the supply of land at 12*s.* per acre, will be a fixed quantity, which cannot be increased. Capitalists, whether acting individually, or in companies, will perceive that the more rapidly this fixed quantity is taken up, the more speedily its price will advance from 12*s.* to 2*l.* per acre. It would be difficult to conceive, and perhaps impossible to discover, any species of investment more beneficial to the monied capitalist than the early purchase of land in South Australia.

Rapid prosperity of the New Colony, as proved by the Reviewer's Financial arrangements. Exemption from Taxation. The Reviewer answers himself; mis-states facts, and mis-calculates figures.

The Reviewer has acquired considerable skill in the art of "turning his back upon himself." Combating the objections which he advances, and defending the principles which he assails, he presents us with the following not unhappy illustration of the manner in which the value of land increases, in the settled portions of a new country.

"As capital and population advance the value "of land increases, and always in proportion to their "amount, the operation spreading from one or more "points, and the country around them gradually "assuming the characteristics of an old and densely "peopled one, in which rents are high. Draw a "circle round one of these points, and tinge the "area with colour, diminishing in intensity from "the centre to the circumference, where it is next "to nothing, and something like a visual represen-"tation will be obtained of the progress of society."

Did the Reviewer possess the faculty of reasoning consistently, from his own data, he would perceive, that it is a necessary consequence of the foregoing admissions, that the new colony must prosper, and that the first purchasers of land, in the vicinity of the settled districts, must realize rapid fortunes. If the value of land rises, in proportion as capital

and population advance, then an emigration fund of 86,000*l.*, employed in taking out 5,700 young adults of the working classes, and affording to settlers, with capital, the important encouragement of an abundant supply of labour for hire, must give instantaneous value to the territory round the central points of the new colony. If the colour, giving a visual representation of the gradation in the value of land, increases in intensity, from the circumference to the centre, then it follows, that if the lowest price of land at the circumference be 12*s.* per acre, the price of land throughout the intervening area will exceed 12*s.* per acre, by a constantly increasing proportion, until we arrive at the centre; and if, in order to carry out to its full extent the principle, with respect to the disposal of land, upon which the colony is to be established, the price of land at the circumference should be subsequently fixed at 2*l.* per acre, its price, throughout the area of the still expanding circle, would exceed 2*l.* per acre, in a constantly increasing proportion, as the centre was approached. Thus the Reviewer refutes himself; his admissions answer his objections. Upon his own showing, the value of land, in the new colony, must increase in a rapid ratio, and early purchasers must realize certain and extraordinary advantage.

But the crowning inconsistency of the Reviewer, is contained in the following passage:—

"Had the Government, instead of sending out "the 850 convicts, who landed in Sydney under

" Governor King, 47 years ago, paid the passage " thither of the same number of voluntary " emigrants of the proper age, in an equal propor- " tion of the sexes, Australia, with the accession of " emigrants, which it would have received from the " mother country, would at this day, in all like- " lihood, have been not only a more respectable, but " a more flourishing country than it now is."

Permit me to ask you, whether your memory can recall, or your imagination suggest, an instance of self-contradiction, so perfect in its kind, as that which the Reviewer has here exhibited? We were formerly told, that to give a free passage to South Australia, to voluntary emigrants of the proper age, in an equal proportion of the sexes, would be an arbitrary interference with the labour market, would be feudalism, and slavery, and would terminate in inevitable disaster and failure; and we are now told, that had this self-same plan been adopted in New South Wales, on the most limited scale, 47 years ago, Australia would have been, at this day, a more flourishing country than it now is, after all the enormous expenditure incurred by the parent state, in its establishment! That which would have been the best system of colonisation, had it been applied to the east coast of New Holland, 47 years ago, becomes now the worst, when it is proposed to apply it, in an infinitely superior locality, on the southern coast of New Holland. Will you tell me what you think of the Reviewer's incomparable inconsistency? Has it never oc-

curred to you that he is writing, not in earnest, but in jest; that he is practising a figure of speech; imitating the clumsy irony of the clown, who tells a beauty she is frightful; and employing vituperative language, only to express approbation? But, be this as it may, it is certain that he really approves the principles of colonisation which he apparently condemns.

The principles upon which it is proposed to establish the new colony, are, to sell all the waste land at the disposal of the crown, at a fixed minimum price, and to give a free passage to voluntary emigrants of the proper age, in an equal proportion of the sexes. Those principles the Reviewer not merely admits, but actually advocates, in terms the most distinct and unqualified. He declares that the best mode of disposing of waste land, in a new country, is to offer it to public sale at a minimum price; and that the most effectual means of rendering a new colony prosperous, is to provide voluntary emigrants with a free passage thither. The only consistent, the only real objection which the Reviewer urges against the new system of colonisation, is, that it fixes the minimum price of public land too high. You will immediately perceive, that this objection is founded, not upon any difference with respect to principle, but merely upon a difference with respect to the extent to which it may be expedient that an admitted principle should be applied. As far as principle is concerned, the Reviewer is a decided, nay an

enthusiastic supporter of the system of colonisation which is to be adopted in South Australia. It can be strictly demonstrated, *from the data which he furnishes*, that the new colony will enjoy a prosperity, more rapid and more extraordinary, than its most sanguine advocates have hitherto ventured to predict. Would the demonstration gratify you? I will endeavour to supply it.

If, 47 years ago, on the first establishment of the colony of New South Wales, a free passage had been given to 850 voluntary emigrants of the proper age, in an equal proportion of the sexes, Australia would, at this day, have been a more flourishing country than it now is. This is the statement of the Reviewer. Now, it is proposed, on the first establishment of the new colony, to give a free passage, not to 850 voluntary emigrants, thus selected, but to more than six times that number; and, therefore, on the Reviewer's showing, the colony will become, in a period of 47 years, six times more prosperous than New South Wales now is. Planting, in New South Wales, 47 years ago, 850 emigrants of the proper age, in an equal proportion of the sexes, would have rendered that colony more prosperous than it is at present; would have caused, at this day, its exports and imports to exceed one million sterling, its revenue to exceed one hundred and thirty-six thousand pounds, and its population to out-number sixty thousand; and, as similar causes produce similar effects, planting 5,600 emigrants, similarly selected, in South

Australia, a locality in every respect superior to New South Wales, will give to the New Province, in 47 years, a revenue above 816,000*l.*, exports and imports exceeding six millions, and a population of upwards of 360,000.

But if those results would follow, from giving, in the first instance, a free passage to 5,600 emigrants of the proper age, and in an equal proportion of the sexes, what, upon the Reviewer's calculation, would be the effect, should all the land, demanded by a population of 360,000, be sold at the proper minimum price, and should all the produce of the sale be employed in pouring into the colony a continuous stream of young couples? Let me request you to give to this question due consideration.

In New South Wales, a population of 60,000 has created a demand for more than 3,000,000 of acres of land. Let us conceive that, in South Australia, a population of 360,000, in consequence of having a better soil, and of possessing the advantage of combined labour, require no greater quantity of land than that which is required in New South Wales, by a population of 60,000, namely 3,000,000 acres; and let us further conceive, that these 3,000,000 acres are sold at 10*s.* per acre, a price not exceeding that which is even now actually paid for land in the valley of the Murrumbidgee. This will give an emigration fund of 1,500,000*l.*, and this fund will convey to the colony not 5,600, but 100,000 emigrants.

Should the Commissioners, in carrying out the

principles of the colony, raise the minimum price of land to 2*l.* per acre, then the sale of the 3,000,000 acres, demanded by a population of 360,000, would create an emigration fund, not of 1,500,000*l.*, but of 6,000,000*l.* This fund, obtained in the course of 47 years, would convey to the colony, in addition to the population of 360,000, not 100,000, but 400,000 young adults; and even upon the under calculation, that the young adult emigrants, sent out in an equal proportion of their sexes, should only double their numbers in 20 years, the population of the new British Province, at the expiration of the period of 47 years, would amount to upwards of 2,000,000.

You may probably object, that this high calculation is founded upon the assumption, that the Commissioners will raise the price of waste land, in the New Province, to 2*l.* per acre. Now, though I deem the supposition a probable one, yet I will obviate the objection by abandoning it. I will assume nothing. Existing facts, and the Reviewer's own admissions, are sufficient, and more than sufficient, for my purpose. The Reviewer tells us, that had the colony of New South Wales been established 47 years ago, not by sending out convicts, but by giving a free passage to 850 voluntary emigrants, it would have been more prosperous than it now is; or, in other words, that it would have been more wealthy and more populous than at present. He cannot, therefore, deny, that had 850 voluntary emigrants been planted on a more eligible situation, in the New

British Province, 47 years ago, this province would now be at least as populous as New South Wales, and would have contained upwards of 60,000 souls. Neither can the Reviewer, while affirming that an original population of 850, would have increased in a given period to 60,000, consistently deny, that an original population of 5600, would have increased in the same period to 360,000. It is not improbable that the candour of the Reviewer may extend so far as to admit, that, if a population of 60,000, has created a demand for 3,000,000 of acres in the Old Australian colony, a population of 360,000, will not demand a less quantity of land than 3,000,000 of acres in the New Australian colony. I also deem it not improbable that the Reviewer, if he has ever inspected the map of Australia, will admit, that as land is selling in the valley of the Murrumbidgee, for 10*s.* per acre, land will not, when the new colony shall be established, sell for less than 10*s.* per acre, in the valley of the Murray. Thus, then, it appears, by the facts now existing in New South Wales, by the admissions of the Reviewer, and by the necessary consequences flowing from them, that 5,600 voluntary emigrants, first planted in the new colony, will have increased, in 47 years, to 360,000; and that, in the course of this increase, the sale of 3,000,000 acres, demanded by a population of 360,000, will have produced emigration funds, amounting to 1,500,000*l.*, and sufficient to afford a free passage to 100,000 additional

27515

settlers. Thus the Reviewer proves, I trust to your entire satisfaction, that, in the short period of 47 years, the population of the New Province must reach, at the very lowest calculation, to four hundred and sixty thousand souls.

I have said the very lowest calculation, because two important elements of increase have been hitherto omitted. In the first place, the 100,000 additional emigrants, conveyed to the colony in the course of 47 years, by the emigration fund of 1,500,000*l.*, would consist of young adults, in an equal proportion of the sexes, and by the end of that period would have doubled their numbers twice. In the second place, the 100,000 additional emigrants, increased by procreation to 400,000, would, by the end of the period of 47 years, have created an additional demand for 3,600,000 acres; and these sold at the present selling price of land in the remote interior of New South Wales, would give an additional emigration fund of 1,800,000*l.* This second additional emigration fund, would convey a second additional body of 120,000 young emigrants; and these multiplying by births, would speedily swell the population of the colony to 880,000. What would now be the third additional quantity of land demanded, and what the amount of the third additional emigration fund, which the sale of this third additional quantity would produce? But it would be a work of supererogation, further to produce this geometrical ratio of increase.

Should this picture of rapid prosperity appear to

you to be too highly coloured, I must remind you that it is by the Reviewer that the colours have been supplied. He has furnished the data from which the conclusions have been drawn. Nothing has been taken for granted by me. The calculations are based upon authentic facts, and on facts stated by the Reviewer.

How do you imagine that the Reviewer contrives to evade the conclusions, necessarily flowing from his own admissions, and to disprove the prosperity which his principles must ensure? This logical task he performs, without difficulty, by the coolness with which he miscalculates, and the bravery with which he mis-states. Take examples:

"In New South Wales, in 1832, the charges of "surveys, exclusive of the 'road' and 'mineral' sur- "veys, amounted to 11,706*l.* 17*s.* 10*d.*, or much "more than double the entire proceeds of the sales "of lands. Applying the principle to the new "colony, and supposing twice, or more than twice, "the economy to be exercised by its Government, "than is exercised in New South Wales, it is clear "that the whole proceeds of the sales of public "lands, will be absorbed in the charges of collec- "tion, and that, consequently, the emigration fund, "so stoutly built upon, is purely visionary."

After reading this "stout" assertion of the Reviewer, you will scarcely credit the fact, that, by the provisions of the Act of Parliament, not one farthing of the proceeds of the sales of land,

can be employed in defraying the expenses of surveys. The mode of dealing with public land, which has been long adopted in the United States, is to be adopted in the New British Province. By this mode of dealing with public land, the expense of surveys amounts to a few cents per acre in American currency, which is equivalent to a few halfpence in English currency. There does not appear to be any overruling necessity, why surveys should be more expensive in South Australia, than in North America; but whatever this expense may be, whether enormous, as in New South Wales, or next to nothing, as in the United States, it cannot, under the Act of Parliament, be charged as a deduction from the emigration fund arising from the sale of land, but must either be paid by the purchasers of land, in addition to the upset price, or else be defrayed out of the colonial revenue.

After this example of the bravery with which the Reviewer can mis-state facts, take a specimen of his coolness in miscalculating figures:

" On the rigid principles of the projected colony, " it may safely be considered an impossible event, " that any colony should ever be planted; but, for the " sake of argument, let it be imagined that 5,000 " settlers, in the due proportions of sexes and em- " ployments, are actually landed at Port Lincoln, " or on Kangaroo Island, or if the reader pleases, on " the borders of Lake Alexandrina. Let it also be " supposed, that the capitalists actually purchase " lands, and let the still more violent supposition be

" made, that they actually pay for them; what, in " this case, will be the annual amount of the fund, " available for the conveyance of labouring emigrants " from England? The demand for land must be " in proportion to the wealth and numbers, and let " this be taken to bear a proper ratio to the wealth " and population of New South Wales. In 1832, the " joint exports and imports of that colony amounted " to very nearly 1,000,000, and the population was, " in round numbers, 60,000, while the number of " emigrants who arrived, exclusive of convicts, were " 2,006, or equal to two-fifths of the supposed num- " ber of the projected colony. Now, what was the " sum derived from the sale of lands, in this pros- " perous colony, for the year in question? Exactly " 5,135*l.* 16*s.* 4*d.* This, at 5*s.* an acre, shows a sale " of 20,540 acres, or thereabouts. At this rate, a " colony of 5000 persons, would afford an emigra- " tion fund of 427*l.* At 20*l.* per head, the lowest " price at which a steerage passage has hitherto " been procured from this country to New South " Wales, this sum, supposing no charge whatever " but freight to be incurred, either before embarka- " tion, or after landing, would convey to South " Australia, twenty-and-one select labourers, and a " fraction. It may be said, that the price charged " for the land, is not 5*s.*, but 12*s.* per acre. It is " pretty certain that the same quantity of land will " not be sold at a high price, as at a more moderate " one; but, for argument's sake, let this point be " conceded. At 12*s.* per acre, then, the proceeds

"of the sale of land, in the new colony, would be "about 1,025*l.*, which would suffice to convey 51 "'select labourers' from the mother country."

In these calculations of the Reviewer, it will be necessary to make one or two slight corrections, before we can obtain a perfectly accurate result. In the first place, the demand for fresh land is not, as the Reviewer states, in proportion to wealth and numbers, but in proportion to the *increase* of wealth and numbers, in relation to the field of employment. In the second place, when colonies are established, the demand for waste land is not in proportion to the increase of wealth and numbers of the first settlers; but is in proportion to the increasing wealth and numbers of the mother country, seeking the profitable investment and employment, which it becomes difficult to obtain at home. When these corrections are made, the Reviewer's figures will give the following results: "In a community of 5000 persons, the annual "increase in wealth and numbers would create "a demand for additional land, which, if sold at "12*s.* per acre, would give an emigration fund of "1,025*l.*, which would suffice to convey 51 selected "labourers from the mother country; and, there- "fore, in the United Kingdom, containing a popu- "lation of 25,000,000, a proportionate increase of "wealth and numbers must create a demand for "additional land, which, sold at the same price "of 12*s.* per acre, would yield an annual emi- "gration fund of 5,125,000*l.*, and suffice to

" convey 255,000 selected labourers from the " mother country."

Take another specimen of the Reviewer's misconceptions, and miscalculations. He says, " With " respect to America, the highest amount realised " from the sales of land in that country, has been " about three millions of dollars, or 600,000*l.*, " which, at the average price of a dollar an acre, " supplies the sale of 3,000,000 of acres yearly. " In proportion to populations, this would afford " to the South Australian colony, an emigration " fund of 230*l.* in the first instance. When its " population had increased to 10,000, the fund " would of course be doubled, and if ever it should " reach 50,000, the period of its maturity, which, " according to the plan, would entitle it to a " representative government, then its emigration " fund would be 2,300*l.*, which would furnish it " with 105 select labourers."

Here, again, some trifling correction must be made, before we can arrive at real results. If, in the United States, containing a population of 12,000,000, the increase of wealth and numbers requires an additional territory of 3,000,000 of acres yearly—in the United Kingdom, containing a population of upwards of 24,000,000, the increase of wealth and numbers would create, under a well-regulated system of colonization, a demand for 6,000,000 acres of waste land annually. These, sold at 12*s.* per acre, would give an emigration fund, not of 2,300*l.*, but of 3,600,000*l.*, which would convey

not 105, but 240,000 selected labourers, from the mother country. Sold at the proper price of 2*l.* per acre, the waste land demanded by the increasing wealth and numbers of the United Kingdom, would produce, under a well-regulated system of colonisation, an annual emigration fund of 12,000,000*l.*

These extraordinary miscalculations, will furnish you with an additional proof, if such were wanting, of the fact which I formerly stated, namely, that the Reviewer has been unable to form to himself any adequate conception of the object which the supporters of the new colony seek to accomplish.

The object which the supporters of the new colony seek to accomplish, is, to render it as easy for the increasing capital and population of the United Kingdom to flow over the unoccupied forests of Southern Australia, as it is for the increasing wealth and population of the United States to expand over the unoccupied forests of Western America. Under judicious arrangements, the accomplishment of this incalculably beneficial object is attainable. When the proper correction, with respect to the facts of the case, is made, it will appear, from the Reviewer's principles, that the annual increase of the new British provinces will exceed, by two-fold, the actual annual increase of the United States. For when this correction is made, his reasoning will run thus:—"The de-
"mand for land is in proportion to wealth and

" numbers: the wealth and numbers of the United " Kingdom are twice as great as the wealth and " numbers of the United States; and therefore a " system of colonisation, rendering Southern Au- " stralia as available to British enterprise as the " western territory is to American enterprise, will " cause the quantity of land, annually demanded " in the new British province, to be twice as great " as the quantity annually demanded in the United " States." In a few generations Australia will have become a mighty empire, spreading Christian civilization amongst the heathen millions of the East, and causing " the nations which sat in darkness to " see a great light." Such are the results, the magnificent results, flowing in necessary connection from the principles which the Reviewer is compelled ignorantly to proclaim. The Australian Balaam blesses where he came to curse.

Allow me now to call your attention to the Reviewer's extraordinary exhibition of mis-statement and mis-calculation on the subject of the finances of the new colony. He states, that there " is a pro- " hibitory tax imposed, to deter emigrants, of " ordinary reflection, from resorting to the colony, " and to induce them to prefer any other country " except, perhaps, Siberia, or some parts of the " Turkish Empire." His estimate of the taxation to be imposed, in the first instance, upon the new colony, is as follows:—

The cost of conveying 5000 emigrants to the new settlement will amount to 100,000*l.*, and the

colonial interest of 10 per cent. upon this sum will occasion an annual charge of 10,000*l.* The cost of furnishing these 5000 emigrants with a stock of nine months' provisions will be 135,000*l.*, entailing another annual charge, for interest, of 13,000*l.*; the expense of the colonial Government will be 10,000*l.* per annum; and to meet these several annual charges, the infant colony, with only a population of 5000 persons, must raise a revenue of 33,000*l.*, or, in other words, will be required to pay taxes equivalent to upwards of 6*l.* per head per annum.

Will it surprise you, to learn that this picture of excessive taxation is a pure invention of the Reviewer's, directly at variance with fact? In the first place, the Act of Parliament for establishing the new British province empowers the Commissioners to raise a loan of 50,000*l.*, on the security of the proceeds of the future sales of colonial land; and provides that this loan is to be applied exclusively to convey voluntary emigrants to the colony, and that both the principal, and the interest upon it, are to be paid out of the proceeds of the sale of lands demanded by the increasing population. No taxation whatever is to be imposed upon the colony in consequence of this loan. Nay, to the first settlers this loan will have the operation, not of a tax, but of a bounty. Before the Commissioners can proceed to establish the colony, 35,000*l.* must be paid in England for the purchase of land; and this 35,000*l.*, when obtained, must be employed

in taking out voluntary emigrants. Now, if a loan of 50,000*l.* be subsequently raised, and employed in sending out a second set of emigrants, the arrival of this second set in the colony will not only create a market for the produce of the original settlers, but will raise the value of their town lots, and central locations, by causing a demand for exterior lands. The Reviewer does not appear to understand the difference between a bounty and a tax.

In the second place, though it will be the duty of the Commissioners to make arrangements for securing an ample supply of provisions for the emigrants whom they may send out, yet these arrangements need not, and ought not, to entail either debt or tax upon the colony. No emigrants will be sent out beyond those for whose labour there will be an immediate demand, and who, upon their arrival, will obtain full employment, at sufficient wages, and who will therefore be able to pay for their provisions at the moderate contract price at which they may be supplied. With respect to the emigrants to be sent out by the first emigration fund of 35,000*l.*, they cannot leave England until this fund shall have been created by capitalists, requiring their labour in the colony, and paying, in this country, for colonial lands; and, with respect to the emigrants to be sent out by the second emigration fund, obtained by the loan of 50,000*l.* on the security of future sales of land, they will be con-

veyed to the colony in numbers not more than sufficient to supply the demand for labour, for the erection of public buildings, and other mechanical operations. Thus no labourer will be given a free passage to the colony, except under circumstances creating a demand for his labour; and, therefore, no able-bodied labourer will require to be provisioned at the public cost.

In the third place, the Act of Parliament authorises the Commissioners to raise a loan, not exceeding 200,000*l.*, for defraying the necessary expenses of founding the colony, and of providing for the colonial Government. The expense of the colonial Government is estimated at 10,000*l.* per annum; and, if we take 10,000*l.** per annum more, as the average cost for erecting public buildings, and of meeting incidental charges, the allowance will be sufficient. The financial accounts of the new British province, for the first four years, may therefore be thus stated.

FIRST YEAR.

	£.	£.
Money borrowed to defray the expenses of Government, public buildings, &c. .....£.	20,000	
Interest on this loan, at 6 per cent.	1,200	
Debt incurred first year		21,200

* In the first two or three years the expense of public building will be more; but, in subsequent years, it will be less.

		£.
Brought forward...		21,200
SECOND YEAR.		
Expenses of colonial Government, public buildings, &c.....	£. 20,000	
Interest at 6 per cent.	1,200	
Interest on loan of first year.....	1,276	
Debt second year.....		22,476
THIRD YEAR.		
Expenses of colonial Government, &c.	20,000	
Interest.....	1,200	
Interest on debt of two first years	2,610	
Debt incurred third year		23,810
FOURTH YEAR.		
Expenses as before.....	20,000	
Interest.....	1,200	
Ditto on debt incurred three first years	4,500	
Debt incurred fourth year		25,700
Total debt incurred during four years...		£. 93,186

By the financial arrangement exhibited in the preceding statement, it appears, that, by incurring a debt, which, in round numbers, may be taken at 100,000*l.*, the new colony may be wholly exempt from taxation for the four first years. Now, by the end of the fourth year, the population, at the lowest estimate, will exceed 26,000 persons. In the first

year, the 35,000*l.* advanced for the purchase of land, without which the colony will not proceed, together with the loan of 50,000*l.*, in anticipation of future sales, will plant in the colony 5600 young adult labourers in an equal proportion of the sexes. In the course of four years, this population, on the very lowest calculation, will have increased to 11,200, by births alone; and, in the course of the second, third, and fourth years, the additional emigration of young couples, with the consequent additional births, must swell the total population of the province to above 26,000 souls. Nor is this by any means an over-sanguine calculation of the increase of population in the new colony. In the year 1833 the emigration into New South Wales, including free settlers and convicts, amounted to 6776 persons. Now, even upon the supposition, that the principles of colonisation to be applied to the new province, should be only so far successful, as to cause an emigration, equal to that which has actually taken place into New South Wales, still there would be conveyed to the colony, in the first four years, 27,104 persons. Thus, without making any allowance for increase by birth, the population of the new province may be expected to exceed 26,000 before the expiration of the fourth year, when I have supposed that taxation may commence. The amount required to defray the expenses of the Government, and to pay the interest of the debt, will be, as I have just shown, 26,000*l.* Thus, for the four first years the new

colony may be wholly exempt from taxation, and, at the expiration of the fourth year, taxes need not amount to more than 1*l.* per head, or considerably less than half the amount, per head, levied in New South Wales.

The Reviewer has stated a fact, which will be found of great importance, in comparing the present taxation of New South Wales with the taxation which will be required in South Australia. He tells us, not merely upon his own authority, but on that of Mr. Carmichael, that the work done by a convict is not more than one-third of that which a free man, by ordinary exertion, will be found to perform. Now, what are the necessary consequences resulting from the fact, that free labour, planted in South Australia, will be more productive, by three-fold, than the convict labour employed in new South Wales? Simply these. When the population of the new province amounts to 20,000, the produce of its industry will equal the produce of the industry of the penal settlement, with its population of 60,000. If, in New South Wales, where the population is 60,000, the exports and imports amount to 1,000,000*l.*, and her revenue to 130,000*l.*, in the new province, when the population shall have reached 20,000, the exports and imports will also amount to 1,000,000, and, under a system of equal duties, the revenue will also amount to 130,000*l.* But, in the new province, the expenses of the Government, and the interest of the debt, will amount

to no more than 26,000*l.*, and therefore the amount of the duties to be levied upon articles of consumption, in the new province, will be equal only to one-fifth part of the duty levied upon similar articles in New South Wales. Thus, then, it appears, that while the new province may be exempt, altogether, from taxation during the first four years, the taxes, after the expiration of the fourth year, will be so moderate, in proportion to the wealth produced, that the same goods which are charged with a duty of 5*l.*, in New South Wales, will be charged with a duty of only 1*l.* in the new province. This is what the Reviewer calls "a "prohibitory tax, imposed to deter emigrants, of "ordinary reflection, from resorting to the colony, "and to induce them to prefer any other country, "except, perhaps, Siberia, or some portions of the "Turkish empire." When we interpret his language by contraries, we have some chance of getting at the real facts of a case.

The Reviewer asserts, that the future revenues of the colony are not to be answerable for the "loan or loans" raised to defray the expenses of its first establishment;—the Act of Parliament declares, that the future revenues of the colony *shall* be answerable for these loans. The Reviewer objects that debts will be incurred, "for the pay-"ment of which the whole public lands of Aus-"tralia are about as substantial a security as the "heavens above them or the waters beneath;"—and to this objection the Reviewer himself has

repeatedly furnished the most satisfactory and conclusive answer. He has told us, that, in a new country, land as valueless as the ocean-waters by which it is washed, acquires value as capital and labour are applied to it; the increase of value being always in proportion to the increase of capital and labour: and he has told us, that a new colony, established by giving a free passage to 850 emigrants, in an equal proportion of the sexes, would become, in the space of forty-seven years, more prosperous than New South Wales, where land in the remote interior, three hundred miles from the principal settlement, sells freely for 10*s.* per acre, and where, though the productive power of convict labour is less, by two-thirds, than that of free labour, the public revenue amounts to 130,000*l.*; and, above all, he tells us, that, in spite of the labours of its founders, the new colony "may "become a great country, and, in due course, a "great nation." If these assertions of the Reviewer have even a remote resemblance to reality, the land and revenue of South Australia will afford as substantial a security as it is possible to conceive, for the loans of 250,000*l.*, which the Act of Parliament authorises the Commissioners to raise for defraying the cost of its first establishment.

The Reviewer affirms, that the interest upon the loans must be colonial interest; that, in New South Wales, the rate of interest on mortgage varies from 20 to 15 per cent.; that bills are discounted at 10

per cent.; and that 10 per cent., the lowest rate of interest stated to be paid in New South Wales, must be the lowest rate of interest paid upon the South Australian bonds. When he ventured upon these assertions, he could not have read the Act of Parliament, which declares that 10 per cent. shall not be the *lowest*, but the *highest* rate of interest paid upon South Australian bonds; and which provides, that these bonds shall be issued, not in New South Wales, but in England, where, upon approved security, loans may be obtained at 4 per cent. The high rate of interest paid in New South Wales, proves nothing, with respect to the rate of interest at which money may be raised in England, upon South Australian bonds; but it proves a great deal, with respect to certain other statements hazarded by the Reviewer.

He asserts that the soil of Australia is generally the reverse of fertile, and that the country, fitted for pastoral husbandry, rather than for tillage, can hardly supply itself with corn; and he also asserts that it requires three convicts to do the work of one free labourer; that the price of wheat is *5s. 2d.* per bushel; and that the interest of money upon mortgage, is 20 per cent. These assertions are inconsistent, and reciprocally destructive. They are antagonist muscles, pulling contrary ways. They are Kilkenny cats, eating each other up. In New South Wales, if the interest of money be 20 per cent.; if convict labour, employed in cultivation, be only one third as productive as free

labour, and if the price of wheat be only 5*s.* 2*d.* per bushel, then it would be impossible that wheat should be grown in New South Wales, unless the soil, instead of being the reverse of fertile, and unsuited to tillage, were of the richest quality, and capable of yielding the most ample produce, in proportion to the labour and capital employed. The rate of profit in agriculture, as in every other employment of capital, must exceed the rate of interest paid for the use of money; for were it otherwise, the farmer, or other producer, would lend his capital, instead of encountering the trouble and the risk of employing it. If the rate of interest in New South Wales be 20 per cent., the rate of agricultural profit must be at least 25 per cent. Now how great, how extraordinary, must be the natural advantages of the soil, for the purposes of tillage, and the growth of corn, to enable the farmer to realise a profit of 25 per cent. upon his capital, in a country where wheat sells for 5*s.* 2*d.* per bushel, and where labour is so ineffectually applied, that it requires three men to do the work performed in England by one man?

The Reviewer's statement, that in New South Wales 20 per cent. may be obtained as the interest of money lent upon mortgage, is confirmed by the authority of Mr. Carmichael; and his statement, respecting the prices of agricultural produce in the colony, is taken from recent prices current. Of the correctness of these statements therefore, no doubt can be entertained; and the

necessary inference drawn from them is, that his statements, that the soil of Australia is the reverse of fertile, and ill calculated for tillage, are contrary to fact.

Soil of South Australia. Agricultural capabilities of the New British Province.

It is not merely by inference and implication, however strict and conclusive, that the incorrectness of the Reviewer's statements respecting the soil of Australia is established. We have direct proof, supplied by the abundant testimony of the most competent witnesses, that Australia contains land of the most luxuriant fertility, adapted to all the purposes of tillage. You will be pleased to see the statements of the Reviewer contradicted by quotations from the very works which he professes to review. He heads his article on the South Australian Colony, with Dr. Lang's *Historical and Statistical Account of New South Wales*, and with Mr. Carmichael's *Hints relating to Emigrants and Emigration*. The subjoined extracts from the works of these able and well informed writers, will enable you to form an estimate of the degree of credit which is due to the statements of the Reviewer.

Dr. Lang concludes his chapter on the agriculture of New South Wales, with the following remarks:

"From what I have advanced in the preceding "pages, the reader will doubtless perceive that the "field of exertion, for the agriculturist of New

"South Wales, is sufficiently extensive. In short, "with every variety of climate, and every "variety of soil, the colony requires only a "numerous and industrious population, to enable it "to produce in abundance, every thing that is neces- "sary for the subsistence and the comfort of man. "Enterprise, of which there is at present no lack "in the colony, will in due time discover a "thousand new channels for the profitable outlay "of capital, and for the acquisition of wealth; "and honest persevering industry will, in the mean "time, be enabled to eat 'pleasant bread,' and 'to "acquire that 'competent portion of the good "things of this life,' which is most conducive to "the progress of society, and the real welfare of "man."

In May 1833, Dr. Lang delivered a lecture in the hall of the Australian College, Sydney, "on "the practicability and expediency of importing, "and of settling, throughout the territory of New "South Wales, a numerous, industrious, and "virtuous *agricultural population.*" In reference to the object of this lecture, he received from Major Mitchell, the Surveyor-General of New South Wales, a letter, which is given in the Appendix to Dr. Lang's valuable work, and which contains the following statements, respecting the agricultural capabilities of the soil of Australia.

"The numerous valleys of Liverpool plains, "situated between them and Sydney, contain "land of excellent quality, and well watered."

"At Buringoring, the land is excellent, and "capable of maintaining a very numerous "population."

"Goulburn Plains are still but thinly peopled, "though consisting in general of excellent wheat "land, and in every respect a good situation for a "farming population."

"The shores of Bateman Bay, and the lower "part of the river called the Clyde, are still very "little taken up, and contain much very superior "land for cultivation."

"To the Southward, the limits of our present "colony terminate on the borders of *one of the* "*finest regions, I suppose, in the world, for the* "*establishment of an agricultural population*;— "I mean the banks of the *Yaas*, *Boorowa* and "the *Murrumbigee*, consisting of rich open plains, "watered by never failing streams. In that coun- "try, level roads may be made the whole way to "Sydney, and in time, the sea coast nearest to it "may be also rendered accessible by the same "means. To enumerate particular parts of that "extensive country is needless at present."

Hear now, what Mr. Carmichael, to whom the Reviewer so frequently refers as an authority, says, with respect to the capabilities of Australia as an agricultural country.

"The agricultural labourer is supplied by his "employer with lodging, and all the necessaries of "life. From the nature of the climate, he stands "in need of little clothing; his wages are hence

" almost all clear gain. From this state he rises " gradually to the rank of a small farmer, and by " superior industry and sagacity, he may reckon " upon ultimately taking his place among the " lords of the soil.

" In the case of the agricultural capitalist, by " due caution he may soon reach a position in " society, of comparatively far greater importance " than he could ever hope to occupy by similar " exertions at home * * * The severity of the " winter forms no drawback to the efficacy of his " operations. Luxuries, as well as necessaries, " are rapidly produced from the fertility of the " soil, and the general character of the climate: " so that a man of very limited means, has it, " hence, in his power to purchase for himself and " family substantial independence, accompanied " with enjoyments and conveniences far exceeding " those engaged in the mother country by indivi- " duals in the same rank of life; and, in the case " of the capitalist, it is not to be forgotten that " his position, in so limited a community, is soon " felt to be one of vastly enlarged importance. " He is brought nearer to the authorities, if not " enrolled among the authorities themselves, so " that a young capitalist, who inherits a few hun- " dred pounds out of the earnings of his parents, " and whose name and influence at home might " never travel beyond the sphere of his father's " fire side, stands here a good chance of being " raised to the magistracy; becoming, all at once,

" the Solon of a district, and, it may be, the Minos
" of his bench.

" The soil, too, may be brought into view as
" adapted, according to its position in the colony,
" to the production of all the vegetable luxuries,
" fruits, and grains of all other countries. The
" mere soil, as to productive energy, may not,
" *throughout the colony, average* so high as the
" soil of Great Britain; yet there are fertile tracts
" on the banks of the Hunter, in the districts of
" Bathurst, Argyle, Illawarra, towards the south-
" east corner of New Holland, *between the Mur-*
" *rumbigee and the sea*, and in various other
" parts of the interior, *of almost measureless ex-*
" *tent, which are not to be surpassed in the world;*
" while the genial character of the climate fits
" the territory, generally, such as it is, for
" bringing to maturity, in ample abundance, the
" whole range of vegetation embraced within the
" wide extension of the torrid and temperate
" zones."

You are, doubtless, aware that the fertile tracts between the Murrumbigee and the sea, which, in the language of Mr. Carmichael, " are not to be " surpassed in the world," and which Dr. Lang, on the authority of the Surveyor-General of New South Wales, tells us, are watered by never failing streams, and comprise " one of the finest regions in " the world for the establishment of an agricul- " tural population,"—you are doubtless aware that these fertile tracts " of almost measureless extent,"

are situated upon the Yaas, the Murrumbigee, and the Tumat, and that these munificent streams unite their waters with the Great Murray River, which, with its tributaries, is navigable for upwards of a thousand miles, and which, after flowing through the new British Province, falls into an extensive lake, communicating with the sea by a shallow channel. Now, as the Reviewer has already been put out of court by the testimony of his own witnesses, it is not necessary, in order to prove the utter incorrectness of his assertion, that the soil of Australia is the reverse of fertile, that we should call other witnesses to show that the valley of the Murray, within the territory of the new province, corresponds, in natural richness, with the adjoining valleys of the Yaas, the Murrumbigee, and the Tumat. But though the knowledge of this fact is altogether superfluous with respect to the Reviewer, it is yet highly important with regard to the agricultural emigrant, who may contemplate a settlement in the new province. I therefore subjoin an extract from the Journal of Captain Sturt, the distinguished officer who was employed by the Governor of New South Wales to explore the country south-west of that colony, and to whom we are indebted for the discovery of the Murray River. Captain Sturt concludes his account of the valley of the Murray with the following description of the district, in which it is proposed that the first settlements of the New British Province shall be established.

" From the above account it would appear, that " a spot has at length been found upon the south " coast of New Holland, to which the colonists " might venture with every prospect of success, " and in whose valleys the exile might hope to " build for his family, a peaceful and prosperous " home. All who have ever landed upon the " eastern shore of St. Vincent's Gulf, agree as to " the richness of its soil, and the abundance of its " pasture. Indeed, if we cast our eyes upon the " chart, and examine the natural features of the " country behind Cape Jervis, we shall no longer " wonder at its differing in soil and in fertility " from the low and sandy tracks that generally " prevail along the shores of Australia. Without " entering largely into the consideration of the " more remote advantages that would, in all human " probability, result from the establishment of a " colony, rather than a penal settlement at St. " Vincent's Gulf, it will be expedient to glance " hastily over the preceding narration, and, dis- " engaging it from all extraneous matters, to con- " dense as much as possible the information it " contains respecting the country itself; for I have " been unable to introduce any passing remark, " lest I should break the thread of an interesting " detail.

" The country immediately behind Cape Jervis " may, strictly speaking, be termed a promontory, " bounded on the west by St. Vincent's Gulf, and " the sandy track separating that basin from the

" sea. Supposing a line to be drawn from the " parallel of 34° 40′, to the eastward, it will strike " the Murray River about 25 miles above the " head of the lake, and will clear the ranges of " which Mount Backer and Mount Lofty are the " respective terminations. This line will cut off " a space, whose greatest breadth will be 55 " miles, whose length from north to south exceeds " 75 miles, and whose surface contains upwards " of seven millions of acres; from which, if we " deduct two millions for the unavailable hills, we " shall leave five millions of acres of land of rich " soil upon which no scrub exists, and whose most " distant points are accessible, through a level " country on the one hand, and by water on the " other."

While this division of New Holland, which lies between the colony of New South Wales and the sea, contains, to recur to the language of Dr. Lang, " fertile tracks not to be surpassed in the " world, fit to bring to maturity, in ample abun- " dance, the whole range of vegetation;" it is nevertheless true, as is also stated by Dr. Lang, that " nature, or rather the God of nature, " evidently intended that the territory of *New* " *South Wales* should become a pastoral country, " and be devoted in great measure to the rearing " of sheep and cattle." In these statements there is nothing inconsistent. It may be true that the valley of the Murray, and the shores of St. Vincent's Gulf, *situated without the territory of New South*

Wales, may possess a soil not surpassed in the world, in fitness for bringing to maturity the whole range of vegetation; and it may be equally true, that, within the territory of New South Wales, the soil is peculiarly adapted to the feeding of sheep and the rearing of cattle. Nay, were it stated, that instead of a *part*, the *whole* of Australia is peculiarly fitted for pasture, and that instead of a *part*, the *whole* is not surpassed in the world, with respect to its fitness for tillage, these statements would not be contradictory. Peculiar adaptation for pastoral husbandry, may coexist with a high capacity for arable husbandry. A country may be better calculated than all other countries for feeding sheep, and at the same time equally well calculated with other countries for growing corn. The same land may be capable of yielding 25 per cent. to the capital employed in tillage, and also capable of returning 30 per cent. to capital employed in pasturage; and, though capable of producing the most abundant crops of corn, may never be brought under the plough, simply because it gives a higher profit under natural grasses.

Ignorant, as usual, of the principles according to which national wealth is produced and distributed, the Reviewer concludes, that because New South Wales exports wool, and occasionally imports corn, the soil of Australia must be unsuitable to tillage, and incapable of affording large returns to the industry of a concentrated

agricultural population. This conclusion is the reverse of true. The facts, that New South Wales exports wool, and imports corn, instead of proving that the soil is incapable of yielding abundant returns to the capital employed in its cultivation, are at once the cause, and the indication of a high rate of agricultural profit. This may easily be shown.

Mr. Carmichael, in his *Hints to Emigrants*, tells us, that "in New South Wales, in almost "every position, grass for the grazing of sheep "and cattle, is the indigenous produce of the "territory: so that a man who invests his capital "in live stock, may thus, after the purchase of "his land, without cutting down a tree, or "cultivating a rod of land beyond what is neces- "sary for producing grain sufficient to supply "the wants of his establishment, reap an ample "return for his investment, by simply availing "himself of the natural state of the country. "The severity of winter forms no drawback to "the efficacy of his operations, nor are his "profits endangered by the necessity of procuring "supplies of artificial food." Dr. Lang, in his *Historical and Statistical Account of New South Wales*, informs us, that capital, "if invested "judiciously in cattle, or in sheep-farming, will, in "all likelihood, yield from 20 to 30 per cent. for "interest." Now, if the investment of capital, in pastoral husbandry, be thus beneficial, its investment in tillage must be thus beneficial also.

In every country, competition constantly tends to equalize the rate of profit; and if, in Australia, from 20 to 30 per cent. can be made by feeding sheep, from 20 to 30 per cent. must also be realized by raising vegetable produce for the market, otherwise no vegetable produce would be raised in Australia for the Australian market. Here the question may be asked, when the state of the market causes the rate of profit, upon the capital which may be invested in pastoral husbandry, to reach 30 per cent., what is the *modus operandi* by which the rate of profit, upon the capital invested in tillage, is brought up to a like level? The process by which this is effected, I will endeavour to explain.

Let us take an example, in order to render our illustrations precise and distinct. One man employs a capital of 1000*l.* in feeding sheep, and brings to market an annual produce of 12,000 lbs. of fine wool, which, in the existing state of trade, sells at 2*s.* 6*d.* per lb., and thus yields him 1,500*l.*, or 50 per cent. upon his outlay; another man employs a capital of 1000*l.* in tillage, and brings to market a certain quantity of corn, and we want to ascertain the circumstances which cause this certain quantity of corn to sell for 1500*l.*, so as to give to the farmer, who engages in tillage, the same rate of profit, which the existing state of trade secures to the farmer engaged in growing wool.

Let us assume, in the first instance, that

Australia does not import agricultural produce, and that country is, therefore, under the necessity of growing its own supply of food. In this case it will be immediately apparent, that the quantity of produce, whether it be great, or whether it be small, brought to market by the employment of a capital of 1000*l.*, must always sell for the same sum of 1500*l.*, which, in the existing state of foreign trade, is obtained upon the wool brought to market by the employment of a capital of 1000*l.* For if the quantity of corn, brought to market by employing a capital of 1000*l.*, did not sell for the same sum, which the quantity of wool brought to market at the same cost might be sold for, tillage would be abandoned for pastoral husbandry, until the diminished supply of corn raised its price to the level of that of wool. And, on the other hand, if the quantity of corn, raised by employing 1000*l.*, brought a larger sum than the quantity of wool obtained at like cost, tillage would be extended, until the increasing supply of corn brought down its price to the level of the price of wool. So long as the actual state of foreign trade maintains the price of wool, at a level which secures a profit of 50 per cent. to the grower of wool, so long will the principle of competition adjust the supply of corn in such a manner, as to secure to the grower of corn a profit of 50 per cent., by equalizing the prices of the different kinds of produce brought

to market by the employment of equal capitals for equal times.

Thus we see, that if Australia should grow her own supply of corn, and if the state of foreign trade should cause the quantity of wool obtained by the expenditure of 1000*l.* to sell for 1500*l.*, the constantly operating principle of competition will cause the quantity of corn, raised by the expenditure of 1000*l.*, sell for the like sum of 1500*l.*, whether that quantity be great or small. Under these circumstances, if the arable land, which can be resorted to, for supplying the quantity of corn demand, should yield 4000 bushels of wheat to a capital of 1000*l.*, then the price of wheat would be 7*s.* 6*d.* per bushel; if it should yield to this expenditure 6000 bushels, the price would be 5*s.* per bushel; and if to this expenditure the land from which the necessary supply could be obtained should yield only 3000 bushels, the price would rise to 10*s.* per bushel. Whatever might be the quality of the last soil resorted to, and whatever the quantity of produce which it might yield to a given expenditure, the rate of profit, realized by raising corn, would equal the rate realized by growing wool. Hence, those circumstances of climate, and of soil, which confer upon Australia peculiar advantages in supplying wool, ensure to the farmer, who engages in tillage, a rate of return upon his capital, as ample as that which is obtained in pastoral husbandry.

The principle, that the price of corn rises in the same ratio with the price of the other products of the soil, is liable to an important limitation. In growing corn, a considerable portion of the capital consumed consists of corn, under the forms of seed and food. This circumstance renders it impossible, when inferior soils are resorted to, for the cultivator to be indemnified, by increased price, for diminished produce. For example:—If wheat be 5*s.* per bushel, and a farmer expends 2000 bushels, or 500*l.*, in food and seed, and 500*l.* in the wear and tear of clothing, furniture, implements, and buildings, he will realize a profit of 33 per cent. upon the amount of his expenditure, provided he cultivate a soil from which this expenditure will raise 5333 bushels of wheat, the price of which, at 5*s.* per bushel, will be 1333*l.* Now, raising the price of wheat from 5*s.* to 10*s.* per bushel, could not indemnify the farmer for a diminution of one half, in the quantity of his produce. For in this case, the money value of his produce will remain, as before, at 1333*l.*; but, in consequence of the rise in the price of seed and food, the money value of his expenditure will have increased from 1000*l.* to 1500*l.* Instead of realizing profit, the farmer would suffer loss. Wheat must rise to the enormous price of 50*l.* per bushel, before the growing of it on soil so inferior, could bring him, as before, the profit of 33 per cent. upon his expenditure. For while he continued to pay 500*l.* for clothing, furniture,

implements, and buildings, his 2000 bushels of wheat consumed as seed and food, would cost him, at 50*l.* per bushel, 100,000*l.*; while his produce of 2666 bushels, at the same price of 50*l.* per bushel, would be worth 133,300*l.*, or not quite 33 per cent. upon his outlay of 100,000*l.*

Thus it is demonstrable, that while the state of trade enables the occupiers of land to realize high profits, by growing wool for exportation, no corn will be grown in Australia, except upon soils of high fertility. Before a high rate of profit can be realized, by growing corn upon soils of moderate fertility, the customary price of corn must become extravagantly high; and before the customary price of corn can become extravagantly high, the markets will be supplied with imported corn. The impossibility of keeping up the price of corn, so as to enable the farmer to realize high profits, by raising it on soils of moderate fertility, must confine cultivation to soils of superior quality, so long as high profits can be realized by growing wool.

I venture to hope, that I may now have succeeded in sufficiently explaining to you the *modus operandi* by which the superiority of Australia, as a pastoral country, must confer prosperity upon the cultivators of the soil. While high profits may be realized by feeding sheep, high profits will also be realized by growing corn. In the first place, the customary price of wool must determine the customary price of corn,

until importation takes place: and, in the second place, when the importation of corn does take place, and prevents a further rise in its price, then the customary price of wool determines upon what quality of soil corn of home growth shall be raised. I will give you one other example.

1*st.* If the importation of corn should fix the customary price of wheat at 4*s.* per bushel; and if the expenditure of 1000*l.* in pastoral husbandry, should bring to market 12,000 lbs. of wool, worth 2*s.* 6*d.* per lb., then no corn would be grown, for the market, upon land not sufficiently fertile to yield 7500 bushels to the expenditure of 1000*l.* For, as the price of wheat is 4*s.* per bushel, this quantity of produce, to this expenditure, is necessary, in order to give the cultivator the customary rate of profit, namely, 50 per cent., which is realized by the wool grower.

Again, should its improving quality, or the increasing demand for it, advance the customary price of Australian wool from 2*s.* 6*d.* to 3*s.* per lb., giving a profit of 80 per cent. to the grower who brought 12,000 lbs. to market at the expense of 1000*l.*, then tillage, undertaken to supply the market with corn at 4*s.* per bushel, would be confined to land of a quality sufficiently fertile to yield 9000 bushels to an expenditure of 1000*l.*

Once more. Should a deterioration in quality, or an alteration in demand, reduce the price of wool, in Australia, from 3*s.* to 2*s.* per lb., while the expenditure of 1000*l.* continued to bring

12,000 lbs. to market, then the profits of the wool grower would fall to 20 per cent.; and then, by consequence, tillage might be extended to tracks of land capable of yielding only 6000 bushels of wheat to an expenditure of 1000*l*. For, by our supposition, importation keeps the customary price of wheat at 4*s*. per bushel; and this price, upon 6000 bushels, gives a profit of 20 per cent. upon the expenditure of 1000*l*.

Thus it appears, upon the fullest and strictest evidence, that the superiority of Australia, as a pastoral and wool-growing country, must prove, in an eminent degree, advantages to the cultivators of the soil, and to the growers of the vegetable food of the colony. The higher the rate of profit realized by the capitalist who avails himself of the natural pastures of the country, the higher, also, will be the rate of profit realized by the capitalist who cultivates the rich alluvial lands, which are peculiarly adapted to the production of vegetable food, and which, as I have already shown upon the authority of the most competent witnesses, exist in sufficient extent to afford employment to a numerous agricultural population. It will only be when the price of wool declines, and when the profits of pastoral husbandry fall, that labour and capital will be employed in growing corn upon land, not of sufficient fertility to yield to the cultivator extraordinarily high returns, at the ordinary prices determined by importation. In the mean time, agriculture, in all

its branches, will attain unusual prosperity. The farmer who engages in pastoral husbandry, will be certain of securing ample profits, in consequence of the superiority of the soil and climate, for the production of fine wool, and of the intense and extensive demand for this important staple in the markets of Europe. And the farmer, who embarks in tillage, will be certain of realizing profits as ample, in consequence of the fertility of the land which he will bring under the plough, and of the power of applying concentrated labour to its cultivation.

"Sheep walks and concentration," the sagacious Reviewer objects, "are not very easily reconcileable. "But it is the peculiar misfortune of the authors "of the concentration scheme, that in the country "which they have chosen for their experiment, "agriculture must be pursued as an adjunct to "pastoral husbandry. In this predicament con- "centration, constancy, and combination of labour, "are hopeless and impracticable, in the sense in "which the projectors mean them."

It is sufficiently apparent, that the Reviewer does not understand the sense in which scientific terms are employed; and that he cannot comprehend the distinction between the usual, and the technical meaning, of the word "concentration." Writers upon the sources of national wealth, do not employ the term "concentration" to express the congregating of numbers, in occupying a given space; they employ the term to signify, the concurring of exertion, in the performance of a given

work. In this sense of the term, concentration is equivalent to co-operation. There may be great density of population without concentration, or co-operation; and there may be sufficient concentration, or co-operation, without density of population. In the rural districts of Ireland, the population is generally dense, while the labour is isolated; and in the rural districts of England, the population is more dispersed, while the labour is more combined. Co-operation, or, to vary the expression, combination of labour, is perfect, when there is employed, in any given operation, that amount of labour which can execute the greatest quantity of work, in proportion to the number of hands. Now the degree of density of population, necessary to ensure this perfect co-operation, varies in the various branches of industry. On arable land, it may require a population of three families to a hundred acres, in order to raise the greatest quantity of produce in proportion to the number of hands employed; while, on the natural pastures of Australia, the greatest produce, in proportion to the hands employed, may be obtained with a population of three families to 1000 acres. Yet, in the latter case, no less than in the former, there may be perfect concentration, in the sense in which that term has been employed by writers upon the science of wealth*.

It is possible that concentration, in the sense in

* See this subject ably handled in the letter signed Kangaroo, printed in the Appendix.

which the term is used by economical writers, may be more perfect in a country principally under pasture, than in a country principally engaged in tillage. It is in the mechanical and manufacturing branches of industry that divided employment, and combined labour, are most effectual in increasing productive power. But in these, the separation of one trade from another, and the consequent union of many hands in the execution of a single work, depend upon the formation of a town population; and it is possible that a town population may be formed more rapidly, and may bear a greater proportion to the rural population, in a pastoral country, than in a country principally engaged in tillage. Let us again resort to an illustrative example.

Let us take two countries in which the arable lands possess the same degrees of fertility, in which tillage is conducted with equal skill by three labourers to 100 acres, and in each of which there are two qualities of soil, the first yielding, on the average of years, 20 bushels of wheat per acre, and the second 15 bushels. Now let us suppose, that in one of these countries the lands capable of yielding 15 bushels of wheat per acre, are also capable of yielding nutritious natural pasture, peculiarly adapted to the feeding of fine woolled sheep, and that a capitalist, employing upon these lands three labourers to 1000 acres, obtains, by the expenditure of 1000*l.*, a quantity of wool which is worth, in the foreign market, the same quantity of corn

which, by the expenditure of 1000*l.*, can be raised at home upon soils yielding 20 bushels of wheat per acre. It is obvious, that in this case no land in the wool growing country will be cultivated, except that which is capable of yielding 20 bushels of wheat per acre; and that all the lands capable of yielding 15 bushels will be kept under grass, and will afford employment to a rural population, less, by nine-tenths, than the rural population employed upon lands of similar arable capabilities, in the country not possessing superiority in growing wool for the foreign market. Under these circumstances, what would be the difference, in the numbers, and in the condition, of the town population in the two countries? Let us see.

In every country, not exporting manufactured goods in exchange for raw produce (and no newly settled country can do so), the proportion which the town population, bears to the whole population, is determined, by the surplus quantity of food which is either raised by the rural population, or imported, in exchange for some other species of raw produce, raised by them. Now, let us suppose, in the first instance, that our two countries contain a population of 40,000 each, and that, in each, 10,000 are employed in cultivating land yielding 20 bushels of wheat per acre, 10,000 in cultivating land yielding 15 bushels, and 20,000 are employed as artisans and manufacturers of non-importable articles, and are resident in the towns. This being the previous state of things, let us

suppose, in the second place, that in the country possessing peculiar advantages in growing wool, all the lands capable of yielding only 15 bushels of wheat per acre, cease to be cultivated, and are converted into sheep-walks; and that the wool grown upon each acre, is exported in exchange for 20 bushels of wheat. This would occasion an increase in the town population to the following extent.

By the supposition, three rural labourers to 100 acres were employed, while the lands were under tillage, and three to 1000 acres are sufficient when they are under grass. The change, from growing corn to growing wool, upon the lands capable of yielding only 15 bushels of wheat per acre, will therefore disengage 9000 out of the 10,000 rural labourers, formerly employed upon these lands, and will allow of 9000 additional town labourers. Therefore the number of town labourers, in the pastoral country, will be increased from 20,000 to 29,000.

But this will not be all. The whole supply of vegetable food, in the pastoral country, is increased by something more than 15 per cent. Before the change from growing corn to growing wool, half the land in this country yielded vegetable food equivalent to 20 bushels of wheat per acre, while the other half yielded food equivalent to 15 bushels per acre. In consequence of this change, the whole of the land affords 20 bushels, either directly or by exchange. For every 35 bushels of corn, formerly in the country, there are now 40 bushels; the supply of subsistence is

increased by nearly 15 per cent.; and therefore the population will be increased by 15 per cent: also. The country will contain a labouring population, not of 40,000, but of 46,000. But the rural population has decreased from 20,000 to 11,000, and therefore the town population must have increased from 20,000 to 35,000.

Let us now consider the effect which the change from growing corn, to growing wool, must produce in the well-being of the population. When it was necessary to cultivate lands, yielding only 15 bushels of wheat per acre, lands yielding 20 bushels, would have paid 5 bushels per acre as rent. Now that which was formerly paid as rent, will appear in the form of increased profits and increased wages. Nor will this be all. A less proportion of the population is required in producing food for the whole, and therefore a greater proportion will be available for the production of the secondary necessaries and comforts, conducive to physical well-being. The 9000 rural labourers disengaged from the cultivation of corn upon lands yielding only 15 bushels per acres, and the 6000 operatives added to the population, by the increased quantity of subsistence obtained by turning these lands into sheep walks, and exchanging wool for corn, will now be employed in the mechanical arts and trades, and in the preparation of those coarser, but most useful manufactured articles, which, possessing little value in proportion to their bulk, cannot be imported except at considerable cost. Nay more, not only will a much smaller

quantity of labour than before, cause a larger quantity of food to be brought to market, and render a much greater quantity of labour applicable to the supplying of secondary necessaries, comforts, and enjoyments, but, in consequence of the enlarged facilities, which the increased population of the towns would afford, for uniting many hands on the same work, and for dividing mechanical and manufacturing industry into separate employments, a given portion of the increased quantity of mechanical and manufacturing labour will possess a higher degree of productive power than before. Thus every commodity, whether raised upon the soil, fabricated in the towns, or imported from other countries, will be cheaper and more abundant, in relation to the labour, and the cost by which it is acquired.

It will be scarcely necessary to remind you that, in the preceding examples, the circumstances assumed are not intended as strictly analogous to actually existing circumstances, but are taken merely for the sake of explaining, with more clearness and precision, the principle upon which pastoral superiority, instead of preventing, may promote, the concentration which is creative of increased productive power. It is in a high degree probable, that in no country growing its own supply of vegetable food, one half of the rural population has been employed in cultivating soils yielding exactly 20 bushels of wheat per acre, and the other half, in cultivating tracks

yeilding exactly 15 bushels per acre. And it is also highly probable that in no country, the lands capable of yielding 15 bushels of wheat per acre, have been also capable of yielding pastoral products of sufficient value to obtain, by exchange, the products of foreign tillage equivalent to 20 bushels per acre. The assumed circumstances, which, for the sake of simplicity, I have reasoned from, as fixed quantities, will be found, in practice, to exist in different degrees, and to combine in altered proportions. But in whatever degree they may exist, and in whatever proportion they may combine in any country, that country, by exporting pastoral, and importing arable products, will obtain her supply of food with a diminished quantity of labour, and will have an increased quantity of labour applicable to the production of secondary necessaries, comforts, and enjoyments. And not only will such a country, so acting, have a less proportion of her population employed upon the soil, and a greater occupied in towns, but will have more concentration—more union of hands in the performance of a single work—more perfect divisions of employment—in short, a higher degree of productive power, throughout all the departments of industry, than other countries equal to her in extent, in population, and in fertility, but growing their own supply of food.

" Here is as laboured a piece of sophistry as " ever was spun from the brain of a theorist, in " the leisure of a study," the Reviewer may

possibly exclaim. Now, considering his inveterate aversion to facts, he might be expected to evince some little tolerance for a theorist, spinning out sophistry at war with facts. But should the Reviewer object to theory; I can have no objection to furnish him with fact; because I hold, that a theoretical principle, if it be not purely fictitious and valueless, is merely the generalized expression of a fact true in itself; and that, except with respect to the relations of number and of figure, the only real science is that which is deduced from fact, and which therefore coincides with experience. Take then a few practical proofs of the correctness of the principle I have just stated.

New South Wales, a country exporting wool, and importing corn, contains a population of 60,000; and Sydney, the chief town, contains a population of 16,000, being more than *one-fourth* of the whole. The Canadas, countries exporting corn, contain a population of 700,000; and Quebec, the capital of the Canadas and of the British Provinces in North America, has a population of 27,000, being less than a *twenty-fifth* of the whole population. Lower Canada, in which Quebec is situated, contains 500,000 inhabitants, so that the population of the capital is equal only to about *one-eighteenth* part of the whole population of the Province of Lower Canada. The very low proportion which the population of the capital bears to the whole population of Canada, is the more striking, inasmuch as Quebec,

situated on the St. Lawrence, and commanding an immense extent of interior navigation, by means of that noble river, and of the great American lakes with which it communicates, is the natural emporium and outlet, not only of the surplus produce of the Canadas, but also of the surplus produce of the fertile districts of the United States, which border on the lakes.

The British Province of Nova Scotia contains 142,000 inhabitants; Halifax, the capital, has a population of 18,000, being about *one-eighth* of the whole population. Were we, as might fairly be done, to consider Halifax as the capital of New Brunswick and of Prince Edward's Island, as well as of Nova Scotia; then, as the whole population of these Provinces amount to 246,000, the population of the principal town would be only *one-fourteenth* of the whole.

The United States of North America, tillage countries, exporting corn, and other tillage products, contains a population of 12,886,000. New York, the commercial capital of the Union, contains a population of 213,000, being *one-sixtieth* part of the whole population. The State of New York contains a population of 1,918,000; and if we consider the city of New York as the commercial metropolis, not of the Union, but of this particular state only, its inhabitants will be *one to nine* of the whole inhabitants of the State; while, as we have just seen, the whole inhabitants of Sydney are more than *one*

to four of the whole inhabitants of New South Wales. But it is perfectly correct to consider New York as the commercial capital of the Union. More than one-half of the imports into the United States enter by the port of New York; and the exports from the city, constitute between one-third and one-fourth of the total exports from all the ports of the Union. The tonnage of New York is greater than that of Liverpool, or of any other city, with the single exception of London; the registered tonnage belonging to the port amounting to 122,458 tons, and the enrolled and licensed tonnage to 163,980 tons, making a grand total of 286,438 tons, which is nearly one-fifth of the whole tonnage of the United States of North America. Yet the inhabitants of this great commercial metropolis of the Union, are only as *one in nine* to the inhabitants of the single State of New York; while the inhabitants of Sydney are as *one in four* to the inhabitants of New South Wales.

Are you satisfied? Are you not now convinced that the exclamation, "Sheep-walks and concentration!" was but the simple expression of the wilderment and wonder, of which ignorance is parental? The Reviewer himself will prove to you, that the town-population will bear a higher proportion to the rural population in the new Colony than in New South Wales. For in the New Colony, the rural population will consist of free labourers; and the Reviewer himself has

shown that free labour is more productive, by three-fold, than convict labour. It will require a much less proportion of the population to procure food for the whole in South Australia than in New South Wales; and therefore, in South Australia, a much larger proportion of the population will reside in towns. A much greater quantity of labour, in relation to the whole quantity, will be employed in providing secondary necessaries, comforts, and enjoyments; while more perfect co-operation, with better divisions of employment, will cause every portion of the greater quantity of labour to be applied with a higher degree of productive power. If you will estimate the prospects of South Australia, upon the data which the Reviewer has furnished, you must arrive at the conclusion, that it is destined to enjoy, from its commencement, a prosperity more rapid than has hitherto been experienced, either in the progress of new countries, or in the history of the most favoured lands.

Commercial prospects of South Australia. Comparative capabilities of Australia and of Canada. Principle which regulates the value, in relation to each other, of commodities produced in different countries.

The power of any one country in commanding the productions of other countries, must be in proportion to the facilities which it possesses for

producing commodities extensively demanded in other countries. But in countries not possessing mines of the precious metals, gold and silver are foreign productions; and, therefore, the power of such countries in commanding gold and silver, will be in proportion to their productive power in supplying the foreign market with the articles therein demanded. The extent to which foreign trade can be carried, and the scale at which the prices of domestic commodities can be sustained, are both determined by the efficacy with which labour is applied, in those branches of industry by which foreign markets are supplied. I will endeavour to illustrate these principles, with respect to their practical influence upon the commercial prosperity of South Australia.

In England there is an extensive demand for timber; and I will suppose, in the first instance, that in Canada, and in Australia, timber is the principal article of export with which supplies of manufactured goods, and of the precious metals, are purchased in the British market. Now, if the cost, estimated in labour, of sending to the English market the quantity of timber which will sell for a given sum, be less by one-half in Canada, than in Australia, then Canada will be able to command, in exchange for the produce of a given portion of her labour, twice the quantity of British goods, and twice the quantity of gold, which Australia can command in exchange for the produce of the same quantity of labour. If a cargo

of timber, which is worth 3000*l.* in the English market, can be obtained in Canada at a cost equivalent to the labour of 100 men for a year, and cannot be obtained in Australia except at a cost equivalent to the labour of 200 for a year, then it is self-evident that the produce of any given portion of Canadian labour, will possess, in relation to all imported articles, a value twice as great as that possessed by the produce of the same portion of Australian labour. Cost of production regulates the value, in relation to each other, of domestic commodities. In Canada, every other commodity produced in Canada at a cost equivalent to the labour of 100, will be equal in value to the timber obtained in Canada by the labour of 100, and will exchange in the Canadian market for an equal quantity of all foreign goods imported. And in Australia, every other commodity produced in Australia at the cost of the labour of 100, will be equal in value to the timber produced in Australia by the labour of 100, and will, in the Australian market, exchange for an equal quantity of imported articles. Hence, if the quantity of Canadian timber produced by the labour of 100, commands in Canada twice the quantity of imported goods, which is commanded in Australia, by the quantity of Australian timber produced by the labour of 100, every other commodity produced in Canada by the labour of 100, will also, in the Canadian market, exchange for twice the quantity of imported goods which the quantity of timber produced

in Australia by the labour of 100, will exchange for in the Australian market. And hence, if the quantity of Australian timber produced by the labour of 100, is worth, in Australia, only half the quantity of foreign goods, which is commanded, by the produce of the same quantity of Canadian labour, every other commodity produced in Australia by the labour of 100, will also exchange, in the Australian market, for only half the quantity of imported goods which the produce of the same quantity of Canadian labour will exchange for in the Canadian market.

Under the circumstances supposed, the price, in the Canadian market, of the produce of a given quantity of Canadian labour, will be twice as high as the price in the Australian market, of the produce of the same quantity of Australian labour; and if, in the production of all domestic commodities except timber, labour be applied with equal efficacy in the two countries, then the price of all domestic commodities except timber, will be twice as high in Canada as in Australia. With respect to Canada and Australia, gold is an imported commodity, obtained in exchange for the products of domestic industry. If the quantity of Canadian timber, produced by the labour of 100, causes the importation of 3000 *oz.* of gold, then the quantity of every other commodity produced in Canada at the cost of the labour of 100, will be worth 3000 *oz.* of gold; while, if the quantity of timber produced in Australia by the labour of 100, causes the im-

portation of only 1500 *oz.* of gold, the price of every other commodity produced in that country by the labour of 100, will be 1500 *oz.* Again, should all domestic commodities, with the exception of timber, be produced by the same quantities of labour in Canada, as in Australia, the prices of all such commodities must be higher, by cent. per cent., in the former than in the latter country.

Fortunately for the commercial prosperity of Australia, the contrast which I have above drawn between that country and Canada, must be reversed. Did the circumstances assumed in the preceding illustrations, correspond with the real circumstances, were the timber of New Holland the principal staple, by the exportation of which she could purchase foreign commodities, including gold, then, indeed, her power of commanding the products of foreign industry, might be as limited, and the prices of the products of her domestic industry as low, as I have stated them to be. But the circumstances assumed, do not correspond with the real circumstances.

The superiority in supplying commodities extensively demanded in the foreign market, is not on the side of Canada; but, on the contrary, is on the side of Australia. England has a demand for timber and corn, the staples supplied by Canada; and for wool and oil, the staples supplied by Australia. Now, in the production of timber, and of corn, the peculiar advantages possessed by Canada are inferior to those possessed by the North of Eu-

rope; while, in the production of fine wool, and of whale oil, the peculiar advantages possessed by Australia are superior to those possessed by any other portion of the globe. The necessary consequences of this superiority must be, that the produce of a given quantity of Australian labour will purchase, in the foreign market, a larger supply of goods, and will bear, in the home market, a higher price than the produce of the same quantity of Canadian labour can purchase abroad, or can command at home.

In the defective state of our statistical knowledge, we have not sufficient data for forming an accurate estimate in what proportion the quantity of Canadian labour, which supplies the English market with a 1000*l.* worth of timber, exceeds the quantity of Australian labour, which supplies that market with 1000*l.* worth of wool. We possess sufficient evidence, however, to establish the fact, that in the British market, the value of a given portion of Australian labour, exceeds, in a very considerable degree, the value of the produce of the same quantity of Canadian labour. The timber of Canada is enabled to hold its ground in the English market only by the aid of the prohibitory duties which the English Government imposes on the superior timber of the Baltic; the wool of Australia commands the English market, in consequence of its own intrinsic superiority. Were England to adopt a more enlightened system of commercial policy, Canadian timber would come

into her markets in diminished quantities, and at reduced prices; but should England, by abandoning restrictions and monopolies, enlarge the field of employment, and increase at once her domestic manufactures and her foreign trade, the demand for Australian wool would become more extended, and more intense, and this important material of industry would, at one and the same time, be consumed in larger quantities, and would obtain a higher price. In the long period, during which Canada has been a settled country, there are no instances on record of large fortunes having been realized by the hewers of timber in her native forests; in the brief period which has elapsed since the fine-woolled sheep was introduced into Australia, the growers of wool, upon her native pastures, have bounded into opulence.

It is a necessary conclusion, from the preceding facts, that the produce of a given quantity of Australian labour, possesses, in the foreign market, a value far exceeding that which is there possessed by the produce of the same quantity of Canadian labour. The comparative effect upon the commercial wealth of the two countries will be in proportion to the difference in the value-creating power of their respective labour. The precise extent of this difference we cannot, perhaps, ascertain; but we shall not incur much hazard of erring on the side of exaggeration, if we assume that, in the foreign market, the value of the produce of Australian labour is greater by one-

half than the value of the produce of Canadian labour; or, to express the same thing in different words, that the Australian wool, brought to market at a cost equivalent to the labour of 100, sells in England for the same sum which is obtained for the Canadian timber brought to market at a cost equivalent to the labour of 150. It is almost superfluous to premise, that this supposition is made, not with a view to its strict conformity with actual circumstances, but only for the sake of obtaining data, for illustrating with distinctness and precision, the operation of the principle, that the same quantities of the labour of different countries, produce commodities which sell at very different prices in the same foreign market. When we have ascertained the operation of a principle, under assumed circumstances, it becomes easy to make the requisite corrections, for the difference between the circumstances assumed, and the actual circumstances of each particular case. The results which I shall now endeavour to describe, while similar in kind, will be greater or less in degree, according as the value, in the foreign market, of the produce of given quantities of Australian labour, may be found in practice to exceed, by more or less than one-third, the value of the produce of the same quantities of Canadian labour.

Assuming, then, for the sake of illustration, that with respect to the principal staples of exportation, the produce of a given portion of Australian labour is more valuable, by one-third, than the

produce of the same quantity of Canadian labour, the effect upon the commercial wealth of the two countries will be as follows:—

By the supposition, wool and timber are the principal articles of export, by which Australia and Canada obtain their respective supplies of the precious metals; and, in the foreign market, the staple of Australia commands, in relation to the quantity of its producing labour, a higher price, by 50 per cent., than the staple of Canada. Under these circumstances, the ever-operating principle of competition will cause all the products of Australian labour to bear a higher price, by 50 per cent., than the products of corresponding portions of Canadian labour. In other words, if a commodity, produced in Canada at the cost of 100 days' labour for a year, sells for 2000*l.*, then a commodity, produced in Australia at the cost of the labour of 100 for the same period, will sell for 3000*l.* Now, this superiority of value will be maintained by the products of Australian labour, both in foreign markets and in the home market.

With respect to the foreign market, competition will cause all Canadian commodities, produced at equal cost, to sell in the foreign market at equal prices. Timber being assumed as the principal staple of Canadian commerce, if the quantity of timber, obtained at the cost of 100 labourers employed for a year, sells, in the foreign market, for 2000*l.*, then the quantity of corn, and of every

other article, obtained at the cost of the labour of 100 employed for a year, will also sell, in the foreign market, for 2000*l*. The same principle will regulate the prices of Australian commodities in the foreign market. Wool is taken as the commercial staple, which determines the degrees in which Australia can command the products of foreign labour, including the precious metals; and, therefore, if the quantity of wool, obtained in Australia at a cost of the labour of 100 for a year, sells, in the foreign market, for 3000*l*., the quantity of every other article produced in Australia at equal costs will sell, in the foreign market, at an equal price. For if the quantity of whale oil, or of any other product of Australian industry, obtained at the cost of the labour of 100 for a year, were to sell, in the foreign market, for less than 3000*l*.—the price of the quantity of wool obtained at this cost—the capitalist engaged in the whale fishery, or other employment, would betake himself to the more profitable occupation of growing wool. Thus, it is strictly demonstrable that, while in relation to their producing labour, the value of the staple of Australian commerce, in the foreign market, shall exceed, by 50 per cent. the value of the staple of the Canadian export trade, all other products of Australian labour, will also possess, in foreign markets, a higher value, by 50 per cent., than the products of corresponding portions of Canadian labour.

Again.—Under the circumstances supposed,

every product of Australian labour will sell, in the Australian markets, at a price exceeding, by 50 per cent., the prices at which the products of corresponding portions of Canadian labour will sell in the Canadian markets. If the quantity of wool, produced in Australia by the labour of 100, should sell, in Australia, for 120*l.*, the quantity of timber produced in Canada, by the labour of 100 will sell, in Canada, for only 80*l.* A like result would take place, if the commodities produced were the same in both countries. Let the quantity of corn raised in Canada, by the labour of 100, sell for 80*l.*; and then, under the circumstances supposed, the quantity raised in Australia will sell for 120*l.* The difference between the price of Canadian commodities, in Canada and in England, and between Australian commodities, in Australia and in England, will be equal to the charge of the British importing merchant. Let us assume, for the sake of simplicity, that in each case this charge amounts to 20 per cent. By our former supposition, Canadian commodities, produced at the cost of the labour of 100, sell, in the foreign market, for 100*l.*; while Australian commodities, produced at like cost, sell, in the foreign market, for 150*l.* Deduct from each the charge of the importing merchant, and the home price of all exportable commodities, produced at the cost of the labour of 100, will be, in Canada, 80*l.*; and, in Australia, 120*l.* But competition will keep the home price of non-exportable com-

modities, produced at the cost of the labour of 100, equal to the home price of exportable commodities produced at equal cost. Therefore, the home price of all Canadian commodities, whether exportable or non-exportable, which are produced at the cost of the labour of 100, will be 80*l.*, while the home price of all Australian commodities, whether exportable or non-exportable, which are produced at the cost of the labour of 100, will be 120*l.*

An objection may here be taken. It may be urged, that the principle of competition, which causes commodities produced in the same country to possess a value proportionate to their productive cost, will also cause the commodities, produced in different countries, to possess a value in proportion to their productive cost; and that it is therefore impossible, that commodities obtained in Australia at the cost of the labour of 100, should continue to bear a price, higher, by 50 per cent., than commodities obtained in Canada at the cost of the labour of 100.

The answer to this objection is,—that the circumstance which determines the value, in relation to each other, of commodities, produced in the same country, is altogether different from that which regulates the value, in relation to each other, of commodities produced in different countries. Cost of production determines the value, in relation to each other, of the commodities which are pro-

duced in the same country; but does not determine the value, in relation to each other, of the commodities which are produced in different countries. The wool produced in Australia, at a cost equivalent to the labour of 100, will be equal in value to the corn produced in Australia at a cost equivalent to the labour of 100; but the value of the corn obtained in Canada by the expenditure of a given quantity of labour, may vary, in almost any degree, from the value of the wool produced in Australia, by the expenditure of the same quantity of labour. The cause of the variance is this:—The principle of competition rendering value proportionate to cost, operates as between home producers; but does not operate as between home producers and foreign producers. When, in Canada, the price of the corn, produced at a given cost, is less than the price of the timber produced at the same cost, labour and capital are transferred from the production of corn to the production of timber, until the diminishing supply of the former, and the increasing supply of the latter, render their value again proportionate to their productive cost. But when the wool produced in Australia, at a given cost, possesses a higher value than the corn produced in Canada at the same cost, labour and capital cannot be thus readily transferred from Canada to Australia, for the purpose of restoring the level, and of causing the productions of these widely separated countries

to possess, in relation to each other, an exchangeable power proportionate to their productive cost. Hence, when the demand for Australian wool, in the British market, becomes more intense than the demand for Canadian corn, the price of the wool, raised in Australia at a given cost, may permanently exceed, in almost any proportion, the price of the corn raised at the same cost in Canada.

I have elsewhere* endeavoured more fully to state, and to explain, the circumstances which determine the value, in relation to each other, of commodities produced in different countries; and I trust that sufficient has here been said to show, that these circumstances are altogether distinct and dissimilar from those which determine the value, in relation to each other, of the commodities produced in the same country; and that, therefore, the objection, founded upon the assumption that in the two cases the circumstances are identical, originates in misconception and error, and is untenable and nugatory.

The objection which we have been now considering, can be shown to be groundless by a direct reference to experience. Though the quantity of labour, required for the production of a given quantity of agricultural produce, is not greater in the United States of North America than in Poland, yet the price of agricultural

* Essay on the External Corn Trade, Fourth Edition.

produce is much higher in the United States than in Poland. The United States possess peculiar advantages, in the production of tobacco, and of cotton wool; and these articles are so extensively demanded, in the markets of Europe, that the United States obtain, in exchange for the produce of a given quantity of labour, a larger supply of foreign products, including gold and silver, than that which is obtained in Poland in exchange for the produce of the same quantity of labour. The necessary consequence is, that the general scale of prices is considerably higher in North America than in Poland.

It is proper to remark, that when any particular country is enabled to command, in exchange for the produce of a given quantity of labour, a larger supply of the precious metals than her neighbours, the higher scale of prices which she will be thereby enabled to maintain, will be confined to the products of her domestic industry, and will not extend to imported commodities. Upon the supposition, that the demands of the foreign market cause the staple of the Australian export trade, to bear, in relation to its producing labour, a higher value, by 50 per cent., than the staple of the Canadian export trade, it is strictly demonstrable, that, in the home market, as well as in the foreign market, the customary price of all the products of Australian labour, will be higher, by 50 per cent., than the customary price of the products of equal quantities of Canadian

labour. But, under the circumstances supposed, it is equally demonstrable, that this high comparative scale of prices would be confined to the products of Australian labour; and that, putting the difference of the cost of carriage out of consideration, the prices of all foreign commodities would be no higher in Australia than in Canada. Let us suppose that, on some occasion, the price of Manchester goods became 50 per cent. higher in the Australian, than in the Canadian markets. The immediate consequence of this state of things would be, that the British exporting merchant would ship increased quantities of Manchester goods to Australia, until the augmenting supply brought down the price of such goods, in the markets of that country, to the customary level which they maintained in the markets of other countries. Thus the high comparative range of prices would be *partial*, and not *general*. While the prices of all the products of domestic labour would be higher, by 50 per cent., in Australia than in Canada, the prices of all the products of foreign labour, would be the same in Australia as in Canada.

I have been led into these extended illustrations by a consideration of the great importance of a clear and complete understanding of the principle, that the possession by any particular country, of superior advantages in producing commodities extensively demanded in foreign markets, confers upon that country a greater command than her

neighbours, of all the productions of foreign industry; and enables her to maintain a higher scale of prices, for all the products of domestic industry. Should I have been successful in explaining the operation of this principle, there will be little difficulty in establishing the practical conclusion, that Australia possesses the elements of commercial prosperity, in a considerably higher degree than any other colonial dependency of the British crown. The British colonies in North America cannot produce articles for export with less labour than the United States; and cannot supply timber and corn at so cheap a rate as the North of Europe. The British West India Islands are not enabled to supply the British market with sugar, and with other tropical productions, because they can produce their staples with less labour than the French and Spanish Islands, than South America, India, and the Indian Archipelago; but, on the contrary, because England consents to restrict her commerce with half the world, in order to give her American colonies a monopoly in her markets. Now, for the important staple of Australia, no monopoly, no protecting duty, is required. The fine wools of Australia command the British markets, not because superior or cheaper wools, the growth of other countries, are excluded; but because Australia possesses a decided advantage over every other country of the world, in the production of wools of superior quality. The commercial prosperity of Canada,

and of the British West India Islands, is bolstered up by artificial, incidental, and precarious circumstances, and must languish and decline, in proportion as the progress of correct opinions leads England to adopt a more liberal system of commercial policy. The commercial prosperity of Australia, is a prosperity which rests upon fixed and immutable foundations, which nature herself has laid;—a prosperity which must grow with the growth of the manufactures, and commerce, of the mother country. When England shall increase the demand for her manufactured goods, by exchanging them upon equal terms for the timber of the Baltic, and for the sugar of South America, and of India, the demand for the staples of Canada, and of the West Indies, will contract; their command over the productions of foreign industry will be diminished, and the prices of the productions of their domestic industry will decline. But in Australia, an opposite effect will be produced. The consumption of the articles, in the production of which she is unrivalled, will increase with the increasing consumption of the manufactured goods of England. As the progress of correct opinions, and the adoption of more liberal principles, in the commercial intercourse of nations, open the markets of the world to British enterprise, the demand for the staple of Australia will become more extensive and more intense; and thus the value of the produce of her domestic labour, and her power of commanding the produce

of foreign labour, may increase in an almost indefinite degree.

To the view which I have now presented, of the commercial capabilities of Australia, an objection may probably be raised by persons of the Reviewer's intellectual grade. The objections may be thus stated.

A high comparative price, extending to all the products of domestic labour, must have an injurious effect upon the trade of export, and contract the field of employment, in all those branches of industry which supply commodities for the foreign market. If the produce of a given quantity of labour be dearer, by 50 per cent., in Australia than in Canada, then Canada will be able to dispose of her produce in numerous and extensive markets, which must be hermetically sealed against the similar produce of Australia. For example. If the same quantities of labour can raise 1000 bushels of wheat in Canada, and in Australia; and if the price of 1000 bushels be 200*l.* in the former country, and 300*l.* in the latter, tillage might spread throughout Canada, to an almost indefinite extent, for the purpose of supplying foreign markets with corn, while not an acre could be cultivated, for such a purpose, in Australia. Nay, while the price of the produce of a given quantity of labour continued so much higher in Australia than in Canada, the probability is, that the Canadian grower would be able to undersell the Australian grower, even in

the markets of Australia; and that, in Australia, the cultivation of corn would be abandoned, and tillage confined to the production of those perishable articles of vegetable food which cannot be imported.

In this objection effects are represented as constituting a cause annihilative of themselves; the results of the highest degree of commercial prosperity are regarded as obstructions to commerce. This, a few words will sufficiently explain.

The objection is founded upon the circumstance, that the price of 100 bushels of corn, produced in Australia by the labour of 100, is greater, by 50 per cent., than the price of 100 bushels of corn produced, in Canada, by the same quantity of labour. Now, this circumstance necessarily involves another, without which its existence would be impossible. This other circumstance, is, the possession, by Australia, of some peculiar adaptation, for the production of a commodity so extensively demanded, in foreign markets, that the quantity of it which is produced by the labour of 100, exchanges against foreign products, including the precious metals, at a higher rate than the quantity of Canadian commodities obtained by the labour of 100. This other circumstance is, in point of fact, the necessary antecedent of the first:—is that, without which, the first could not exist. The two circumstances cannot be disconnected. The supposition of the one, involves the supposition of the other also. Conclusions

drawn from the circumstance which is the effect, without reference to the other circumstance, which is its inseparable cause, are not merely defective, but are in direct contradiction to actual results.

Capitalists, whether in Australia or in Canada, can raise 1000 bushels of corn by employing the labour of 100. What, then, is the cause which renders it advantageous to the Canadians, and disadvantageous to the Australians, to cultivate corn for the foreign market. The cause is simply this. When the Australian employs a given quantity of labour, in growing wool for the foreign market, he obtains a quantity of foreign commodities, greater, by 50 per cent., than if he employed the same quantity of labour in growing corn for the foreign market. To him it would be disadvantageous to grow corn for the foreign market, only because, by so doing, he would deprive himself of that larger command over foreign commodities which he obtains by growing wool. It is, therefore, absurd and contradictory to say, that domestic industry and foreign trade are contracted by receiving that direction which renders them most productive.

But the objection contemplates a further result, and one which, under the circumstances supposed, must be admitted to be possible. If 1000 bushels of wheat, produced in Australia by the labour of 100, could not be sold for less than 300*l.*, while 1000 bushels, produced in Canada by the labour of 100, sell for no more than 200*l.*, the importation

of agricultural produce from the Canadas, might cause the growing of corn, even for the home market, to be abandoned in Australia. Now what are the circumstances under which the land of Australia could be thus thrown out of tillage? They are these. In Australia, as in Canada, the labour of 100 is capable of producing 1000 bushels of wheat; but in Australia, the labour of 100 is capable of producing a quantity of wool which sells in the foreign market for a sum sufficient to purchase 1500 bushels of Canadian wheat. In Australia, therefore, the capitalist who can command the labour of 100, employs this labour in feeding sheep, rather than in growing corn, because, by this direction of his industry, he can obtain a quantity of corn greater, by 50 per cent., than that which he could obtain by ploughing up his native pastures to cultivate corn at home. To call this most productive application of labour and capital, this wealth-augmenting co-operation with nature, an injurious and impoverishing contraction of domestic industry, is absurd and contradictory in the highest degree.

Let us now examine the objection under circumstances somewhat varied. Let us suppose that the demand for Australian wool declines until the quantity produced by the labour of 100, sells, in the foreign market, at a price not exceeding that which is obtained for the 1000 bushels of Canadian wheat, raised with the same quantity of labour. Important results would follow. The value of the

produce of Australian labour, in relation to the produce of the labour of other countries, would fall by one half; and the fall in the value of the produce of her labour would have an extensive effect, as well upon the extent of her foreign trade, as in the direction of her domestic industry. Formerly, when the quantity of wool produced by the labour of 100, sold, in the foreign market, for a sum equal to the price of 1500 bushels of wheat, being the quantity produced in Canada by the labour of 150, wool was exported, and corn imported, and the growth of corn in Australia was confined to soils on which the labour of 100 would raise 1500 bushels. Now, when the quantity of wool, produced by the labour of 100, will purchase no more than 1000 bushels of Canadian corn, the commerce which consisted in the exportation of wool, and of the importation of corn, will be discontinued in Australia, the growth of wool will be contracted, and the growth of corn, formerly confined to soils capable of yielding 1500 bushels to the labour of 100, will be extended to lands capable of yielding no more than 1000 bushels to the labour of 100. In other branches of industry similar changes would take place. When the produce of the Australian labour of 100 no longer exchanged for the produce of the foreign labour of 150, many of the channels of foreign commerce would contract, and many articles, before imported, would be produced at home. While sheep walks were converted into corn fields, the

greater portion of the labour and capital, formerly engaged in conducting foreign trade, would receive a new direction, and would be employed in fabricating at home, goods which had previously entered from abroad. But the whole of this change would be injurious. One-third of the wealth of Australia would disappear. Every article, consumed within the country, would be obtained at a cost of one-half more labour than before. If the labour of 100 had formerly been sufficient to procure subsistence for 300, and if, in consequence, two-thirds of the population had been at liberty to apply their industry to obtaining secondary necessaries and comforts, it will now require the labour of 150 to feed 300, and one-half of the population, instead of one-third, will be required to procure the first necessaries of life for the whole. One-half, instead of two-thirds, will be left to provide comforts and enjoyments. Nor will this be all. While the number of the producers of articles of comfort and enjoyment is reduced from two-thirds to one-half of the whole population, it will require the labour of three, to fabricate, at home, the quantity of goods, which the produce of the labour of two had formerly procured, by exchange, from abroad. The whole result of the change will be, that for every 200, formerly employed in producing articles of comfort, there will now be no more than 150 so employed; and that the quantity of goods, now fabricated by the labour of 150, will be no more than equal to the quantity before obtained in exchange for the produce of the labour

of 100. The supply of all commodities, except of those constituting the first necessaries of life, will be diminished by one-half. The alteration which would take place in the distribution of wealth, would be not less injurious to the producing classes than the diminution in its quantity. No foreign corn would be imported in exchange for wool; and as, in consequence, tillage extended all over the gradations of land, from that capable of yielding 1500 bushels of wheat to the labour of 100, up to that capable of yielding no more than 1000 bushels to this quantity of labour, all the difference between the quantities of produce obtained from the lowest and from the highest qualities of soil, would be rent. Thus, while a less quantity of wealth was produced, a less proportion of the less quantity would remain with the producers. Profits and wages would both decline, and by a two-fold process.

Let us now consider the worth of the objection under a different set of circumstances. We will assume that the demand for Australian wool, instead of declining, continues to advance, until the price of the quantity obtained by the labour of 100, becomes equal to the price of the quantity raised in Canada by the labour of 200. Another great change now takes places in the extent of foreign trade, and in the distribution of domestic industry. Corn fields again become sheep walks; the plough yields to the sail; the labour of 100, which raised 1000 bushels of wheat at home, produces wool, which brings a return of 2000 bushels from abroad. One-fourth, instead of one-half of

the population, provide subsistence for the whole; three-fourths, instead of one-half, are employed in obtaining secondary necessaries, and articles of comfort, and of luxuries. But this would not be all. The value of the produce of Australian labour is doubled in the foreign market, not merely with respect to subsistence, but with respect to all the products of foreign labour. The wool produced by the labour of 100, exchanges for a double quantity of gold; and the double quantity of gold purchases, not merely a double quantity of corn, but a double quantity of manufactured goods, and of all other foreign commodities. The produce of Australian labour is worth a double quantity of every thing. But the wealth remaining in the hands of the producing classes, would be much more than doubled. Before the price of wool had been doubled in the foreign market, lands yielding only 1000 bushels of wheat to the labour of 100, were under tillage; and all corn lands, yielding more than this, paid the difference in rent. Now no lands are cultivated except those which yield 2000 bushels to the labour of 100, and no corn lands pay rent except those which yield more than 2000 bushels to the labour of 100. Now that which ceases to go to the landlord, remains with the cultivator, or passes to the consumer. There is not only a double quantity of all things, but of this double quantity the producer retains a larger proportion. Profits and wages reach to an extraordinary elevation. All these results are conducive to national prosperity and happiness. In propor-

tion as any particular country possesses facilities peculiar to herself, in the production of articles extensively demanded in foreign markets, in that proportion the produce of a given quantity of her labour will possess a higher value than the produce of the same quantity of foreign labour; and, in that proportion, she will have the power of commanding a larger proportion of the circulating medium of the world, and will maintain, for the immediate products of her domestic industry, a higher scale of general prices than other commercial countries. But this larger command over the precious metals, and this higher scale of general prices, instead of being causes injurious to foreign trade, are the natural and necessary effects of superior commercial prosperity. For an able and original exposition of some of the principles which I have now endeavoured to state, and to explain, I beg to refer you to Mr. Senior's Lectures on "The cost of procuring the Precious Metals."

Commercial prospects of South Australia. Superior facilities for producing Articles extensively demanded in Foreign Markets. Perseverance of the Reviewer in knocking his head against Facts. He pickles himself in the Salt of Kangaroo Island, and Quarrels with Crawfurd.

In tracing those sources of national opulence which lie below the surface, the error of excessive exactness may be more excusable, because less injurious, than the fault of incomplete inquiry.

Though the extended illustrations, contained in the preceding section, may appear somewhat unattractive, yet I venture to hope, that you will not regard them as super-prolix. The principles therein discussed involve consequences so extensive, and so practically important, as well to the English manufacturer as to the Australian colonist, that I was induced to explain their operation in detailed examples. The progress of the woollen manufacture, in England, will be in proportion to the extent and to the quality of the supply of raw material which she may be able to command; and the prosperity of the British settlements in Australia, will be in proportion to the extent, and to the intensity, of the demand for the staple, in the production of which nature has conferred upon Australia an unrivalled advantage. The increase of the woollen manufacture in England will depend, in no inconsiderable degree, upon the progress of colonisation in Australia; and the progress of Australian colonisation will receive an additional impulse from the extension of the woollen manufacture in England.

When we contemplate the manufacturing superiority which coal, and iron, and machinery, and energy, and skill, and credit, and communication, all contribute to confer on England; and when we take into our account the constantly increasing demand for manufactured goods which may be expected to arise, as the tide of population sweeps over the vast regions of America, from the Atlantic

to the Pacific, and as the free trade with China opens to British enterprise hundreds of millions of additional consumers, the natural, the necessary conclusions seem to be, that, for generations to come, the still increasing demand for Australian wool will be in advance of the constantly augmenting supply; and, that the value of this important staple will maintain an elevation sufficient to secure to the British nations, growing up in New Holland, a degree of commercial prosperity hitherto unexampled in newly settled countries. But though we may confidently predict that the superiority of the soil and climate of New Holland, for the production of fine wool, must secure to the Australian colonies a period of unprecedented prosperity, yet we cannot but admit that the time may come, when the supply of this staple may increase in a greater proportion than the demand for it; and when, in consequence, the produce, in wool, of given quantities of Australian labour, may fall in value, as compared with the produce of the same quantities of the labour of other countries. In this event, the source of the extraordinary commercial prosperity of Australia, beyond that enjoyed by other European settlements in new countries, would begin to fail, unless Australia should be found to possess peculiar advantages in the production of other staples, extensively demanded in foreign markets. Does Australia possess peculiar facilities for the production of such other staples, or is the source of her superior

commercial prosperity destined to fail, in consequence of her pressing upon the foreign market increased supplies of wool, beyond the proportion of the increased demand? Important questions these. Let us proceed to the consideration of them.

The fisheries of Australia have already grown into importance. Dr. Lang, in the work to which I have so frequently referred, gives the following account of the progress and prospects of this important branch of colonial industry:—

"The most prominent, if not the most important branch of the trade of New South Wales, at the present moment, is the sperm and black whale fishery, in which no fewer than from forty-five to fifty square-rigged vessels are now employed out of the port of Sydney. These vessels are all furnished with provisions for their voyage from the produce of the colony: thus, whaling-gear is chiefly manufactured of New Zealand flax, by the rope-makers of Sydney: and the large sums of money distributed amongst their officers and crews, on their return to port after a successful voyage, are all expended in the colony. At Twofold Bay, near Bass's Straits, in the east coast of New Holland, and on the southern coast of New Zealand, there are establishments belonging to the merchants of Sydney for the black whale fishery: the oil of that species of whale, or the common train oil of commerce, being always *tried out*

" (to use the technical phrase) in boilers erected " on the shore. The black, or right whale, is of " the species that is caught exclusively in the " Greenland seas. *The sperm whale fishery,* " *however, is by far the most important of the* " *two; and the whaling ground, chiefly traversed* " *by vessels from Sydney, extends all over the* " *Western Pacific, from the Sands of Port* " *Jackson to the Sea of Japan.* The length of " the voyage, in these hunting expeditions, de- " pends chiefly upon the success of the vessel; " and the latter depends, in great measure, on the " experience and ability of the officers and crew. " The colonial whale fishery has not been pursued, " to anything like its present extent, for a suffi- " cient length of time to train up so large a " number of persons as have been required in the " colony, for so peculiar and hazardous an occu- " pation; but experience is gained by every " successive voyage, and the chance of failure " gradually diminished.

" It may seem preposterous to hazard such an " assertion, but it is nevertheless the fact, that " the progress of the sperm whale fishery of " Australia is intimately connected with the moral " welfare and advancement of a most interesting " portion of the great family of man. The " London sperm whalers are generally large ves- " sels: they are seldom less than four months in " reaching the whaling ground, and are frequently " from two to three, nay, sometimes even four

" years on the voyage. During that period the " sailors become, in many instances, completely " brutalized; and when they land for refresh- " ments on the South Sea Islands, their con- " duct is often infamous in the extreme. For, " independently of the unhallowed operation of " their own vicious propensities, they are too far " from home, in these islands, to be influenced by " any fear of the laws, or by any regard for " public opinion. The colonial whalers, on the " contrary, are generally of smaller size; and, " arriving at the whaling ground immediately " after leaving their port, they are filled in a " much shorter time; and the voyage is con- " sequently of much shorter duration; the " average length of a whaling voyage from Sydney " being from ten to fifteen months. The officers " and crews of the colonial whalers, have thus " a much stronger inducement to marry, and rear " families of their own, as not a few of them " have already done, than those of the London " whalers; while, on the other hand, the com- " munication between the colony and the South " Sea Islands, is so frequent and direct, that any " flagrant act of misconduct in these islands " would very speedily be reported in the colony, " and, in all likelihood, subject the perpetrator to " the penalties of the law.

" The colonial sperm whale fishery is of very " recent origin. I do not think there were more " than two vessels in the trade out of Sydney

" when I arrived in the colony, for the first time, " in the year 1823. In the beginning of the year " 1826 there were five or six; but in August " 1830, there were twenty-six. The number has " been gradually increasing ever since, and it is " supposed there will shortly be a hundred. The " value of the oil and whalebone, exported to " London from the port of Sydney in the year " 1832, was 146,018*l.*"

This account of the whale fishery of New South Wales is exclusive of that of Van Diemen's Land. The Hobart Town almanack for the year 1834, states, that in the season just then expired, the produce of the whale fishery was 1340 tons of black whale oil, worth 10*l.* 10*s.* per ton; 161 tons of sperm oil, worth 40*l.* per ton; and 73 tons of whalebone, worth 80*l.* per ton; making the total produce of the whale fishery of Van Diemen's Land, for the season, amount to 26,350*l.*

The rapid extension of the South Sea whale fishery, by the colonies of New South Wales and Van Diemen's Land, will not be matter of surprise, when we consider the superior facilities which the coasts of Australia afford for prosecuting this important branch of industry. The whalers fitted out in England, and in the United States of North America, must perform a distant voyage of four or five months duration, before they can arrive on the fishing grounds. Whalers sailing from Australia may be upon the fishing grounds before they lose sight of shore. The advantage in carrying on the

sperm whale fishery, which a capitalist in Australia possesses over a capitalist residing in England or in North America, is equivalent to the whole cost of keeping two ships at sea during a voyage of four or five months. This will operate as an enormous bounty. When the system of colonisation, about to be applied to the new British province, shall have supplied the requisite quantity of capital and labour, the whole of the South Sea whale fishery, now carried on by England and by North America, will be transferred to Australia. In the year 1833, the United States had 205 ships employed in this important branch of industry. As early as 1774, Mr. Burke, in his celebrated speech upon American affairs, thus alludes to the progress made in the whale fishery by that rising country:—

"As to the wealth which the colonists have "drawn from the sea by these fisheries, you had "all that matter fully opened at your bar. You "surely thought these acquisitions of value, for "they seemed to excite your envy; and yet the "spirit by which that enterprising employment "has been exercised, ought rather, in my opinion, "to have raised esteem and admiration. And "pray, Sir, what in the world is equal to it. Pass "to other matters, and look at the manner in "which the new England people carry on the "whale fishery. While we follow them among "the trembling mountains of ice, and behold them "penetrating into the deepest frozen recesses of "Hudson's Bay, and Davis's Straits; while we

" are looking for them beneath the arctic circle, we " hear that they have pierced into the opposite " region of polar cold; that they are at the Anti- " podes, and engaged under the frozen serpent " of the South. Falkland Islands, which seemed " too remote and too romantic an object for the " grasp of national ambition, is but a stage, and " resting place for their victorious industry. Nor " is the equinoctial heat more discouraging to " them than the accumulated winters of both " poles. We learn that while some of them draw " the line or strike the harpoon on the coast of " Africa, others run the longitude, and pursue " their gigantic game along the coast of Brazil. " No sea but what is vexed with their fisheries; " no clime that is not witness of their toils. " Neither the perseverance of Holland, nor the " activity of France, nor the dexterous and firm " sagacity of English enterprise, ever carried this " most perilous mode of hardy industry to the " extent to which it has been pursued by this " recent people; a people who are still in their " gristle, and not hardened into manhood."

Do you suspect that Mr. Burke may have exaggerated the success with which a " recent people," may avail themselves of the important source of wealth which the whale fishery affords? Or, do you suppose that the Eastern Pacific, and the Indian seas, which surround New Holland, open to Australian enterprise a field too limited for an extensive prosecution of this branch of

her industry? If so, I possess the means of dissipating all your doubts. I refer you to the authority of one who has had opportunities, far superior to those which were possessed by Mr. Burke, for acquiring an accurate knowledge of the facts connected with the industry of the east. I refer you to the authority of Mr. Crawfurd. At the 446th page, Vol. III., of his work upon the Indian Archipelago, we find the following remarkable and very important passage.

" The *fisheries* of the Indian islands afford a " most valuable branch of their industry. Both " sea and river fish abound, but the first are the " most abundant and valuable. The waters which " surround these islands are so tranquil, and the " numerous banks which exist afford the living " animals which inhabit them such abundance of " food, that no part of the world abounds more in " fine fish. The seas of the western parts of the " Archipelago, particularly the Straits of Malacca, " and the shores of the Gulf of Siam, are the most " remarkable for their abundance of edible fish. " Towards the eastern parts of the Archipelago, " where the coasts are bolder, and the seas deeper, " the fish are scarcer and less abundant. The " edible fish are numerous, among which the pom- " fret, the calcap, and the sole, are the most deli- " cate. A great variety of fish are dried in the " sun, and form a considerable article of commerce, " fish being in this state—for little or none is " consumed fresh,—an article of as universal

" consumption among the Indian islanders as flesh " is in cold countries. The preparation which fish " undergo, consists simply in drying them in the " sun, for pickling is hardly ever had recourse " to. Of one species, a kind of shad, which " frequents the great river of Siak in Sumatra, " the dried roe, of enormous size, constitutes " an article of commerce. The common price " of ordinary salt or dried fish may be stated at " two Spanish dollars per picul, or 7*s.* 6¾*d.* " per cwt.

" Ordinary dried fish forms no portion of the " foreign exports of the Indian islands, but three " singular modifications of it do, *fish-maws,* " *shark's fins,* and *tripang,* or sea slug, all of which " are sent to China in large quantity. The first " is a favourite article of the strange luxury of the " inhabitants of that country, often bringing as " high as 75 Spanish dollars per picul, or 14*l.* " 3*s.* 6*d.* per cwt. in the market of Canton. " *Shark's fins* are exported to China from every " maritime country of India, from the Arabian " Gulf to the Indian islands. They are articles " of luxury rather than of necessary food among a " sensual people, who seek them under the imagi- " nation that they are powerful *tonics.* A *picul* " of shark's fins usually sells in China as high as " 32 Spanish dollars, or at 6*l.* 1*s.* per cwt., which " high price makes it evident that they are no " more than articles of luxury for the use of the " rich. In the market of Macassar the ordinary

" price is about 15 Spanish dollars per picul, or " 2*l.* 16*s.* 8½*d.* per cwt. *Tripang swala*, or sea-" slug *(holothurion)*, is a much more important " article of commerce than the two just mentioned, " and constitutes, in quantity and value, the most " considerable article of the exports of the Indian " islands to China, unless, perhaps, we except " pepper. There are fisheries of *tripang* in every " country of the Archipelago, from Sumatra to " New Guinea. The fish being found chiefly on " coral reefs, and never on flat muddy shores, " the most considerable fisheries are consequently " to the eastward, from Celebes to New Guinea " *and Australasia*, where the formation of the " land is most favourable. The most productive are " the fisheries among the Aroe islands, and those " in the gulf of the Carpentaria, and generally " on all the north-west coast of *New Holland*.

" The quantity of tripang sent annually to " China from Macassar is about 7000 piculs, or " 8333 cwt. The price in the market of China " varies from eight Spanish dollars per picul, to " 20, to 50, to 75, to 110, and to as high as " 115, according to quality.

" *Tortoise-shell* is a valuable article of the " commerce of the Archipelago. The tortoise is " found in all the seas of the Archipelago, but in " greatest abundance in those in which the sea-slug " abounds, particularly the east coast of Celebes, " the coasts of the Spice islands, and those of New " Guinea. Towards the western parts of the

" Archipelago, the animal is smaller, the shell " thinner, and of course much less valuable. " Those engaged in fishing the *tripang*, com- " bine with it that of the tortoise, and about " 200 piculs, 26,666⅔ lbs. of shell are annually " brought to Macassar by them for exportation to " China, where the price is from 300 to 350 " Spanish dollars the picul, or 70¾ per cent. less " than the prices in the London market. This very " tortoise-shell is again re-exported to Europe, " affording a pointed example of the beneficial " consequences of the free trade of the Chinese, " and the flagrant injustice and impolicy of the " restrictions upon the intercourse of Europeans " with those countries. The valuable productions " which are obtained on the very coasts of the " islands which the latter occupy, are here seen " to be forced into a foreign market, where they " must be collected before they can find their way " to their final destination.

" *Pearls*, and the *mother-o'-pearl oyster*, are " productions of the seas of the Indian islands. " The first, as an object of trade, are found no- " where but in the Suluk islands, and the last " principally there also. Pearls are found in the " narrow channels or passages which exist among " the numerous and dangerous shoals of the " islands of this group. The pearl is known in " every language of the Archipelago by one and " the same name, and this name, *Mutya*, or " *Mutyara*, is Sanskrit, from which it may be

" inferred, that the use of pearls as an ornament,
" and by consequence the art of fishing for them,
" were taught by the Hindus. The quantity annu-
" ally exported to China, is reckoned worth, on the
" spot, 25,000 Spanish dollars; and the quantity
" of mother-o'-pearl shell obtained and exported
" to the same country, is about 5000 piculs, worth
" in China, at the rate of 14 Spanish dollars the
" picul, 70,000 dollars, or 15,750*l.* ' Considering
" the turbulent and piratical habits of the natives
" of the Suluk group, it is certain that a greater
" share of skill and industry than can at present
" be applied to these fisheries, would greatly
" enhance the value and amount of their produce.
" The same seas are the only parts of the Archi-
" pelago in which the *cowrie shells*, used as small
" currency in Hindustan, are found; and the Bugis
" *Praos* bring them as articles of traffic to the
" more westerly parts of the Archipelago. These
" also, as well as almost all parts of the Archipe-
" lago, afford the *gigantic cockle*, some of which
" occasionally measure three feet wide. The sub-
" stance of the shell is several inches thick, per-
" fectly white, and takes a fine polish. They are
" sent to China as articles of trade
" *Ambergris* is found in several parts of the
" seas of the Archipelago, and constitutes an article
" of the return cargos to China. As the commo-
" dity has no name but the Arabian one *Anbār*,
" we may plausibly conjecture that the Arabs first

" instructed the natives in the use of it as a " perfume.

" The last marine production I shall mention is " *Agar-agar*, a kind of *Fucus*, which is soluble " in water, and in which it forms a gelatinous " matter. The Chinese use it in this form with " sugar, as a sweetmeat, and apply it in the arts " as an excellent paste. It is probable it might " be used in the same manner by us, and might " prove a cheap and useful substitute for the ex- " pensive gums we now import. It forms a " portion of the cargos of all the junks. The " price on the spot where it is collected is very " low, seldom exceeding one and a half or two " Spanish dollars a picul, or from 5*s.* 8*d.* to " 7*s.* $6\frac{3}{4}$*d.* per cwt.

" *It need hardly be insisted upon that, in the* " *event of the European race colonizing in the* " *countries of the Archipelago, and their enter-* " *prise being permitted to take its natural range,* " *the rich variety of marine production which I* " *have now enumerated would, with the intermi-* " *nable demands of the market of China in their* " *immediate vicinage, afford abundant occupation* " *for their industry and skill.* In speaking of the " fisheries of the Indian islands, one great subject " has not yet been alluded to—the *whale-* " *fishery.* In the seas which surround the Spice " islands, and particularly towards Timur, and " that portion of the Pacific Ocean which lies

" between the Archipelago and New Holland,
" the *Cachelot* or Spermaceti whale abounds.
" While the Spice islands were in our possession,
" our whalers were in the habit of refreshing at
" Amboyna, which they found a convenient station
" for this purpose alone, though permitted to carry
" on no species of trade with it. Ten or twelve
" of them annually put in for refreshments at the
" port of *Dili* in Timur. It is evident, that any
" nation in possession of the Spice islands, that
" has the wisdom to destroy the absurd monopoly
" of spices, and restore the industry of those coun-
" tries to their natural state, may see them neces-
" sarily become a convenient station of the whale
" fishery. If industry and capital were suffered
" to take their natural course, the spice trade and
" whale fishery would be naturally combined, each
" mutually aiding the other. The striking con-
" trast in the present case, between the *free* and
" *fettered* trade, is sufficient to bring ridicule and
" confusion on the supporters of regulated and
" monopoly commerce. The spermaceti whale
" fishery employs 32,100 tons of shipping, and
" 3210 seamen ; the vaunted spice trade 700 tons,
" and 80 seamen ; the tonnage is thus 46 times
" greater, the hands employed 40 times greater.
" The value of the fishery is 1,070,000*l.* ; that of
" the spices, at three times their natural price,
" only 120,000*l.*, or little more than a ninth part
" of the value of the fishery. This amount for the
" fishery is obtained by the labour of 3210 men,

" among the boldest, most active, and hardy, that
" human institutions are capable of breeding.
" The spices are obtained through the enslaving
" of a population of 46,000, or with the labour of
" 11,500 persons, taking the labouring population
" at about a fourth of that number, who, with
" perhaps a million more, are by means of it robbed
" of the most ordinary rights of human nature,
" and kept in slavery and barbarism, to ensure
" an unworthy and contemptible object. It will
" appear from this, and allowing that spices bring
" a monopoly price equal to three times their
" natural value, that the labour of one English-
" man is equal to that of 96 natives of the Spice
" islands, with the aid of the productive powers
" of the soil to boot. The value of the ordinary
" labour of a civilized European over an Asiatic,
" wherever there is an opportunity of making a
" fair comparison, is no more, however, than as $3\frac{1}{2}$
" is to 1. Some of this he owes to the natural and
" inherent superiority of his physical form, but
" more to education and to moral habit."

If the statements contained in these passages of your elaborate work on the Indian Archipelago, bear any resemblance to reality, there will be found in the eastern and southern seas a prolific and almost unlimited field of employment for the superior energy and knowledge of the European race. The field has been already partially occupied by the Anglo-Americans; will it not speedily become the possession of the Anglo-Australians?

On this point we have actual fact, not probable conjectures, for our guidance. In the year 1820, the ports of Great Britain fitted out, for the southern whale fishery, sixty-eight ships, measuring 19,000 tons, and carrying 1800 men; and in the year 1830, the ports of Great Britain fitted out, for this trade, only thirty-one ships, measuring but 10,000 tons, and carrying no more than 900 men. But during these years, the British Southern whale fishery did not, in reality, decline in this extraordinary degree. It was merely transferred from the ports of Great Britain to the ports of Australia. In 1820, the colonial whale fishery had scarcely commenced, and in the year 1830, there were twenty-six vessels engaged in the trade from the port of Sydney, exclusive of those fitted out from the neighbouring colony of Van Diemen's Land. Thus the South Sea fishery is already in a state of rapid transit from the ports of Europe, to its natural seats in the ports of the southern ocean. And as soon as a sufficient maritime population shall be planted in the new British province, this important branch of industry must also, as a necessary consequence, be transferred from North America to South Australia. The North American whalers must voyage over half the globe before they can reach the fishing grounds, which may be reached by the Australian whalers before they lose sight of port. When the new British province shall be established, the fisheries of the southern and eastern seas may be carried on by

American capital, and American seamen; but then it will be carried on by American capital, and American seamen planted and domiciled in South Australia. On a careful inquiry, it will be found that Australia possesses a natural superiority for carrying on the South Sea fisheries; at least, as decisive as that which she possesses for growing fine wool. With respect to these two important branches of industry, she will be without a rival in the world. Should there be, at any future period, an increase in the supply of wool more rapid than the increase in the demand for it, and should there arise a consequent danger, lest the produce, as wool, and a given quantity of Australian labour, should cease to be superior in value to the produce of the same quantity of foreign labour, then this cause of retardation may be almost immediately removed, by turning a greater proportion of the accumulating capital of the colony upon the almost unlimited field of employment afforded by the fisheries.

Salted and dried provisions, and hides, will also form important staples of Australian export. A country in which "grass for the grazing of sheep "and cattle is the indigenous produce of the territory, so that a man who invests his capital in "live stock, without cutting down a tree, may hope "to obtain an ample return for his investment, by "simply availing himself of the natural state of "the country*;"—a country in which, "capital, if

* Carmichael.

" judiciously invested in cattle, will yield from " 20 to 30 per cent. for interest*;" and in which, while the labour of skilful shepherds and herdsmen may be obtained for hire, the rich natural pastures may be obtained in unlimited quantities, at a merely nominal rent†;—a country so circumstanced is adapted in a peculiar manner for supplying animal products, and only requires convenient access to markets in which the demand for animal products is extensive and intense, to enable her to establish an extensive and lucrative commerce in the natural staples of her soil. But where are the convenient markets in which there will be an extensive and intense demand for the provisions, and the hides, yielded by the natural pastures of Australia? This question you have answered. In your work upon the Indian Archipelago, you tell us of China, with "the density of its population," and with the "high price of the produce of the " soil, which is the consequence of this state of " things;" and you say, that in the Indian islands, the muscle of the buffalo, the deer, and the wild hog, under the native name of Demdeng, are articles of considerable domestic consumption, while "*all are exported by the junks of China.*" You say, with obvious truth, that "hides and horns, " from their bulky nature, will probably be always " a fitter article for the neighbouring market of " China, than for the more distant one of Europe."

* Lang.

† See Land Regulations, printed in the Appendix.

Now if there be any authenticity in your facts, and any accuracy in your calculations, the natural, the necessary conclusion from them is, that "the inter-"minable demands of the market of China" will confer a value, extraordinarily high in relation to their productive cost, upon the animal productions multiplying in the natural pastures of Australia.

In the year 1833, the colony of New South Wales exported hides, to the amount of 9,214*l.* and salt provisions, to the amount of 19,932*l.* But before the animal staples of Australia can be secure of an extensive demand in the markets of China, it will be necessary, that natives of China, or of the Indian islands, should be employed in curing provisions in the manner suited to the Chinese taste. This subject will no doubt receive the requisite attention from the capitalists who may settle in the new colony.

The new colony will possess an important advantage in carrying on an export trade in provisions, in consequence of the supply of salt of a superior quality, yielded by Kangaroo Island. There is, already, a considerable demand for this article in the neighbouring colonies. The salt of New South Wales contains a portion of magnesia, which is very prejudicial to its quality, as an anti-putrescent; and even the salt imported into the colonies from England is inferior in this respect to that obtained from Kangaroo Island. In 1819, the salt obtained by Captain Sutherland from Kangaroo Island, sold for 10*l.* per ton, while that imported from England was selling only for 7*l.* 10*s.*,

the latter not answering equally well for curing skins*. The possession of this article, in the immediate vicinity of its port, will secure to Kangaroo Island considerable export trade in salt fish, and other salted provisions. The salt itself will become a not unimportant staple of export, and an instrument in giving to the new colony an immediate command over the produce of foreign labour. With the Reviewer, however, "the salt has lost "its savour." Amuse yourself with another specimen of his absurdity.

"Much commendation is bestowed upon the "salt of Kangaroo Island, and it is described as "selling in the market of Sydney for *a higher* "*price* than English salt. Here is another statistic "blunder. The salt of Kangaroo Island is com- "mon bay salt, which sells *in every market of the* "*world* for less than English boiled salt, because, "although fitter for the occasional purposes of "curing fish and meat, it is much less fit, from "its dirtiness, for ordinary culinary purposes. If "the salt of Kangaroo Island be really so *cheap* "and so abundant, why is it not used? and why "is it not *cheap* in the markets of Sydney and "Hobart Town? In the market of the first of "these, where it is *cheapest*, it sells, duty free, at "*from ten to thirteen times the price of a much* "*better article at Liverpool.*"

Can your imagination, conversant with fiction, and creative though it be, picture forth contra-

* *Vide* New British Province.

diction and absurdity more glaring than those which the Reviewer here exhibits? He first states the fact, that the salt of Kangaroo Island is described as selling in the market of Sydney for a higher price than English salt. He then asserts that this is a statistic blunder, because the salt of Kangaroo Island is bay salt, which *sells in every market in the world for less than English boiled salt;* and then again he affirms, that this same Kangaroo salt, *which is cheaper all over the world than English salt,* sells, when it is cheapest, at *from ten to thirteen times the price of superior Liverpool salt.* Then comes the climax,

> " The query of the sage philosopher
> Who has read Alexander Ross over."

Having stated that it is a statistical blunder, to say that the salt of Kangaroo Island is dearer than English salt; and having affirmed that it is cheaper all over the world, he gravely asks:— " If the salt of Kangaroo Island be really so " cheap, why is it not cheap?" I must leave you to answer the Reviewer's question, for to do so transcends my power.

If the salt of Kangaroo Island did not possess superior properties for curing skins and provisions, its price in the markets of Sydney and Hobart Town, would not be higher than that of English salt; and if there were not extraordinary facilities for procuring salt on Kangaroo Island, it could not, in the existing state of things, be brought from

that Island to those markets at any price whatever. Kangaroo Island is at present an uninhabited forest. Vessels going thither from Sydney for cargoes of salt must sail in ballast, and, consequently, the cost of the freight upon the outward, as well as upon the homeward voyage, must be charged in the price of the salt. But this is not all. Vessels going to Kangaroo Island for cargoes, must land their crews upon that desert shore to collect the salt; to convey it to the beach, without the convenience of roads, and to ship it without the facility of a warehouse, or of a wharf. If the Reviewer knew any thing of the practice of commerce, he would know that, under such circumstances, salt could not be brought from Kangaroo Island to Sydney, unless the demand for it were intense, and unless it could be obtained, upon Kangaroo Island, like so much sand, by the mere labour of shoveling up.

How much blundering and contradiction might the Reviewer have avoided, had he, before penning his article upon the new South Australian colony, given an attentive perusal to your work upon the commerce of the Indian Archipelago. Had he done so, and had he remembered what he read, he could not have escaped the conviction, that the possession of native salt is, of all circumstances, the one best calculated to secure the commercial prosperity of the new colony, by giving it superior advantages in the fisheries, and in supplying the Chinese markets with the import staples of cured fish and provisions. You inform us that Java is

the only part of the Archipelago in which the manufacture of salt is carried on to any extent; that, under proper regulations, the internal consumption in Java and Madura, may be taken at 900,000 cwt., and the exports at 450,000 cwt.; and that, in order to procure a portion of this supply, the natives on the southern coast resort to the following very curious and expensive process:—

"The sand of the beach being raked, and "smoothed into the appearance of ridges and fur-"rows, as if intended for cultivation, the manu-"facturer having filled a pair of watering cans "from the surge, runs along the furrows, sprink-"ling the contents in a shower upon the ridges. "In a few minutes the powerful effects of the "sun's rays have dried the sand, which is then "scraped together with a kind of hoe, and placed "in rude funnels, over which is thrown a given "quantity of salt water, by which a strong brine "is immediately obtained. The peasants trans-"port this brine to their hovels, where it is boiled "over an ordinary fire, and a salt is obtained "which is necessarily impure, in consequence of "the haste with which the operation is performed. "This inferior salt costs four-fold as much as the "better product of the north coast."

You are careful to remind us of the principle, that the difference between the cost of procuring Javanese salt in the worst and in the best situations, cannot benefit either the producer or the consumer, but must be considered as rent payable to the proprietor of the superior situations.

" It follows, that lands on which salt can be " manufactured, like those affording vegetable " productions of use to man, or like mines, will " yield a *rent* strictly so called. Salt is, in this " case, the produce of the earth, and rent is the " portion of its produce paid for the original, and " inexhaustible powers of the soil to produce the " commodity. The rent of the salt lands of Java " is, generally speaking, the difference which " arises from the superior productive powers of " those lands over all other means to produce salt, " which, in the natural state of things, is likely to " come into competition with the salt of Java. It " is evident that the whole of this is an available " source of revenue to the state; and if assumed, " on judicious principles, will prove no obstruction " to industry."

It is clear, that had the Reviewer refreshed his memory by a recent perusal of your work upon the Indian Archipelago, he would not have thus pickled himself in the salt of Kangaroo Island. You have demonstrated that the salt procured in the new colony will not have to compete with the salt produced in Java, in those favourable situations which may afford rent; but, on the contrary, will have to compete only with that Javanese salt which is produced in the unfavourable situations resorted to for the last portions of the supply. When Kangaroo Island shall be made the seat of an industrious population; when roads shall be constructed from the salt grounds to the port, when wharfs and warehouses are erected, and

when skilled labourers can be obtained for hire, in sufficient numbers, then a given portion of Australian labour will bring to market a supply of salt many times greater than that which the same quantity of Javanese labour brings to market by the processes you have described. The spontaneous production of this article, while it gives to the new colony a superior advantage in the fisheries, and in the provision trade, will render Nepean Bay, the port of Kangaroo Island, the depôt of a more varied commerce. The salt of the new colony will supplant that of Java, in the markets of Borneo, of Sumatra, and of all the more easterly islands of the Archipelago; and the returns in gold, ivory, and specie*, will give to South Australia increased power in commanding all the varied products of European industry.

It is not difficult to discover that the Reviewer has two objects, an avowed and a latent one. His avowed object is to write down the new colony; his latent object is to write down Crawfurd's *Indian Archipelago.* Evidences of this latter design have more than once peeped out, and I will now give you another, and a more formal proof it.

The Reviewer says—"The projectors of the "new colony, where labour is dear and capital "scarce, are, however, for forcing refined and "expensive modes of culture upon the colo-"nists; and the old colonists, both of America

* *Vide* "Crawfurd's Indian Archipelago."

"and Australia, are reproached for not having "adopted them." He then quotes from the valuable and very useful little work entitled *The New British Province of South Australia*, the following passage for the purpose of replying to it:

"This conclusion from the present impossi-"bility of guarding against the ravages of water, "is confirmed by observing the effects and causes "of a total neglect, by the Australian settlers, of "the means by which, in corresponding latitudes "of Europe, Asia, and Africa, water is made "to exert a fertilizing power. Though during "the course of a year, more rain, it is believed, "falls in New South Wales than in England, the "Australian settlers suffer terribly from long "periods without rain — from what they call "'Australian droughts;' and vast tracts of land "in that colony, which would be thought excel-"lent if constantly supplied with water, are but "little esteemed, because deficient in that natural "quality. But this would be the case in some "of the most fertile and populous districts of "Europe, Africa, and Asia, if their inhabitants "should, like the Australians, depend wholly upon "nature for a supply of water. The extraor-"dinary fertility of the left bank of the Po, from "the source almost of that river to its mouths, "depends upon skill in the management of its "tributary streams — upon artificial irrigation. "The Nile, if its waters were not skilfully guided "by man, would only devastate, instead of ferti-

" lizing. When the north-west of Africa sup-
" ported many populous nations, it must have
" been by means of the greatest skill in preserving
" water that fell from the clouds, and in raising
" water from the bowels of the earth. Many
" fertile parts of Spain, the south of Italy,
" Greece, and Turkey, would become barren if
" it were not for wells, pumps, reservoirs, and
" aqueducts. In the countries round about the
" Caspian Sea, where a very dense population
" once existed, there are mixed with the ruins of
" cities, the ruins of all sorts of contrivances for
" the management of water; and in order to
" restore the cities, it would be necessary to begin
" by restoring the wells, tanks, and aqueducts.
" Without such contrivances, a great part of the
" dense population of Southern China must
" inevitably perish. Where, indeed, in latitudes
" corresponding with extra-tropical Australia, has
" a dense population ever been maintained without
" such contrivances? No where: there is no
" exception to the rule. In New South Wales,
" as in similar latitudes of the northern hemis-
" phere, more rain falls during the year than in
" England; but in England, some rain falls
" almost every week; while at Naples and Sydney
" months pass without a cloud. Why, then, one
" is led to ask, have the settlers in Australia
" never, to any extent whatever, employed those
" contrivances for the management of water, to
" which the inhabitants of other countries are so
" largely indebted? The answer is full of

" instruction to future settlers in Australia. " Because, in the first place, Australia has been " settled by Englishmen, in whose native country, " water, falling every week, is often an incum- " brance; where fertility depends rather on the " art of draining, than on that of collecting and " preserving water, Englishmen, whose ignorance " of the latter art was not likely to be cured by " a sense of its value. Because, secondly, even " if the settlers in Australia had seen the value " of that art, still, being scattered, as they are, " over a wide expanse of country, they could not " have formed dams, embankments, water-courses, " tanks, reservoirs, and wells. For to conduct " such works, combination is required; combina- " tion of two sorts: first, that combination of " purpose which takes place amongst the land- " owners of a valley in Europe which is artificially " irrigated—a kind of agreement for co-operation, " under which all behave as if they were directed " by a single will; secondly, that combination of " labour in particular works, that helping of each " other by many, without which no work can be " performed which requires, like the formation " of embankments, reservoirs, and water-courses, " the constant employment of many hands in the " same work, at the same time, and for a long " period of consecutive time. If Australia had " consisted only of the banks of the Hawkesbury, " her inhabitants would probably, ere now, have " obtained complete control over that river and

"its tributary streams, confining them within "their beds during the rainy seasons, and during "the dry seasons conveying their waters, which "had been artificially penned up in favourable spots, "over a great track of country that is now "despised as being liable to suffer either from "flood or from drought. Considering also what, "in this case, the Australians, being a society, "and having therefore such classes as tank-"makers and well-diggers, would have done to "preserve rain-water, and to draw water out of "the earth. From all these considerations it "appears again, that when the population of "Australia shall become more dense, her soil "will be more fit to support a dense population." —*New British Provinces, &c.*, p. 12.

To this passage the Reviewer makes the following reply:—

"Here is as laboured a piece of sophistry as "ever was spun from the brain of theorist in the "leisure of a study. The great works of irriga-"tion alluded to in the quotation, as the results "of combined labour in China, Hindostan, Persia, "and Italy, could certainly only have resulted "from a dense population. In the barbarous "countries of the east, they are the acts of the "sovereign, who commonly takes one-half the "gross produce of the watered lands as the "reward of his patriotism in erecting these "boasted works. Originally, the works so striking "to the imagination, were constructed by the

"compulsory labour of thousands of trembling "subjects, or rather slaves, under the direction of "task-masters, a sort of constancy and combina- "tion of labour," which will hardly be thought "a fit model for imitation in an English colony. "Free Englishmen are by no means unqualified "to undertake such labours, whenever they are "found to be necessary and profitable. The "extensive irrigation long practised in the Caro- "linas and Georgia, for the culture of rice, and "by which the best and cheapest rice is produced, "is sufficient proof of this. The Australians will "also construct great works of irrigation as soon "as they have need of them, and as soon as they "become beneficial;—that is, when there is no "foreign market for wool,—when the black and "sperm whales of the Pacific are exhausted,— "and when they are pinched for room, which will "probably not be the case for a thousand years to "come. To force them before they are naturally "called for, would be to direct capital into a "wrong channel, or, in other terms, to employ "capital and labour unprofitably."

I will not stop to ask the Reviewer whether it be a fact, that great works of irrigation have been constructed in the Carolinas and in Georgia, by "free Englishmen," and because the inhabitants of these states found themselves "pinched for "room?" My present object is to disclose to you his latent and covert designs to discredit the important work on the Indian Archipelago, which

you elaborated with so much care, and in which you have displayed, as the fruit of your extensive practical experience with the commercial transactions of the East, that accuracy, with respect to facts, for which you are so remarkably distinguished.

The argument of the Reviewer, that it would be unprofitable to employ capital in works of irrigation, until the fisheries of the eastern seas are exhausted, and until people become pinched for room, though avowedly directed against the statements of those who recommend irrigation in Australia, is covertly aimed at the statements made by you respecting the extent to which irrigation is practised in Java. By your showing, Java is situated in the midst of seas, the unexhausted fisheries of which, present a field of employment more lucrative than the spice trade of the East; and, by your showing, the people of Java, so far from being pinched for room, have space and territory sufficient to raise an immense surplus of food, and of other raw produce, beyond their own consumption; and have besides forest lands from which fugitive crops are taken, and lands not yet appropriated. Now the Reviewer states, that, under these circumstances, irrigation cannot be practised without rendering labour and capital unprofitable; and thus gives a direct contradiction to your statement, that, under these circumstances, irrigation is practised to an extraordinary extent, and with the most beneficial results. Having given the Reviewer's affirmation,

that irrigation *cannot be practised without disadvantage,* until after the fisheries are exhausted, and over-population has occurred, it will be only fair play to give your directly opposite affirmation, that irrigation *is practised with advantage,* while the fisheries continue unexhausted, and while there remains tracks of forest country, and of land, not yet appropriated. The following passage is taken from your chapter upon the husbandry of the Indian islands*.

" Upon the discovery, or the introduction, of " the culture of a valuable grain (rice) which " grows by immersion in water—which draws a " principal source of its nourishment from that " element—and through the agency of which, the " mechanical labours of the husbandmen are pro- " digiously facilitated, while it supersedes expen- " sive dressings, and almost the necessity of reno- " vating the fecundity of the soil by attention to " the rotation of crops, principally rests the pros- " perity of the husbandry of the Indian islands; " and, indeed, of all countries in which rice is the " chief material of food. The important part of " the agriculture of the Indian islands, therefore, " necessarily derives its energy from irrigation, of " which an account, in some detail, becomes neces- " sary. In whatever situation rice is cultivated by " immersion, the land appropriated to this use is " divided into small chequers of an area not ex- " ceeding two or three hundred square yards, sur-

* Indian Archipelago, Vol. I., p. 350.

" rounded by dykes not exceeding a foot and a half
" high, the use of which is to retain the water of
" irrigation for the nourishment of the plants.
" When the culture depends on the periodical rains,
" the charge of these dykes constitutes, as far as
" irrigation is concerned, the only care of the hus-
" bandman; but the greatest part of the corn of
" Java is raised by the help of fictitious irrigation.
" The simple contrivances put in effect by the na-
" tives to ensure a supply and distribution of water,
" on this principle, are pleasing specimens of
" industry. The sources of that supply are, in-
" deed, in general so obvious and easy, that a little
" industry and perseverance, rather than efforts of
" skill and capital, are required to ensure it. The
" principal care of the husbandman is to dam the
" brooks and mountain streams as they descend
" from the hills, and before the difficulty has
" occurred which would be presented by their
" passage through the deep ravines into which they
" would naturally flow. From this circumstance
" the crests of the mountains, and the valleys at the
" foot of them, the lands of the greatest fertility,
" are also those best supplied with water; and
" here necessarily are presented the richest scenes
" of Javanese husbandry.

" Occasionally the progress of irrigation is some-
" what less simple than now represented. This is
" the case when the larger rivers are dammed, after
" their descent into the plain. An officer of the
" government then assumes the superintendence,
" and the distribution of the water, and receives in

" recompense or commission, payable in kind, on
" the amount of the crop.

" In the existing state of society and rural in-
" dustry in Java, and other countries, it may
" safely be asserted, *that the progress of agricul-*
" *ture chiefly rests on the facilities afforded to*
" *the irrigation of the land.* The paramount im-
" portance of the culture of marsh rice makes every
" other species of tillage a matter of secondary
" importance. The fertilizing process of irrigation
" almost supersedes the use of other dressings, or
" at least causes them to be neglected. None of
" the Indian islanders ever apply any kind of
" manure directly to the land. The work of the
" plough, the harrow, and the mattock, with all
" that concerns *the important operations of irriga-*
" *tion*, are performed by the men; but the lighter
" labours of sowing, transplanting, reaping, and
" housing, belong almost exclusively to the women."

It would be obtrusive and impertinent in me to attempt to reconcile the difference between the Reviewer and yourself. I may be permitted, however, to assume, as an hypothetical case, that the facts are as *you* have stated them, and to reason from this assumption. If, then, it be the fact, that irrigation is extensively practised in Java, which still retains the character of a new country exporting raw produce, and possessing tracts of forest land not yet appropriated, and which is rudely cultivated by a comparatively feeble Asiatic race; is it not as certain, as any induction from

fact can be, that irrigation will be extensively practised in Australia, as soon as the capital, the skill, and the combined labour of the most energetic of the European races shall be planted in sufficient abundance on the Australian soil? In Australia, tracts of country are frequently submerged by the overflowing of the mountain streams; throughout the vallies of the Yass, the Murrumbidgee, and the Murray, the alluvial lands are occasionally under water to a considerable extent; and several of the largest rivers spread out and disappear in interminable marshes, which, as if by miracle, are not pestilential in a country where the climate of Paradise appears to have survived the fall. In Australia nature is already performing gigantic works of irrigation to our hand. Then is not Australia destined to become the greatest rice-growing, as well as the greatest wool-growing country of the world? She will be the Granary of China. And more than this. She will yield to soul-starved millions that which is "more than meat," and that which is "more than raiment."

How contagious is example! I have been venturing with you upon the uncertain waters of conjecture, and I must hasten to regain the solid ground of fact. It is unnecessary to anticipate the results of experience by speculations upon the exportable commodities which, under improved circumstances, Australia may hereafter produce; because that recent country now yields, in addition to the important staples already enumerated, various products,

indigenous or acclimated, which are peculiarly adapted to the soil, and which bear a high value in foreign markets. Some of these it may be useful briefly to specify.

Flax.—Mr. Bennett, in his valuable work, entitled *The Journal of a Naturalist,* informs us that he found the flax-plant indigenous in Australia. "On the banks of the Jumat stream," says this scientific traveller, "the flax-plant grew luxu-
" riantly, attaining the height of from two to five
" feet, and the largest circumference of stem half
" an inch. This plant, by cultivation, might be-
" come a valuable article of commerce, and could
" be procured in any quantity. The natives, first
" pulling the bark from the stem, remove the
" epidermis from the flax, and dry it in the sun;
" they then manufacture it into small cord, by
" rolling it upon the thigh; it is afterwards em-
" ployed in the formation of nets, and for a variety
" of other purposes."

Silk.—Silk-worms in India are fed not only on the mulberry, but also on the palma christi, or castor-oil plant. This plant is indigenous, and abundant in Australia, and, consequently, raw silk, though not of the best qualities, may be produced in any quantity, without waiting for the extensive introduction of the mulberry.

Opium.—We are informed by the Hobart Town almanack for 1834, that in Van Diemen's Land, Dr. Murdock annually raises and collects a considerable quantity of opium, for the production of

which, the climate of that island is found to be singularly favourable. The climate of Kangaroo Island, Cape St. Vincent, and York's Peninsula, must be at least as congenial as that of Van Diemen's Land, for the production of this most valuable staple of the China trade.

Indigo.—This valuable plant is indigenous in Australia. Mr. Bennett, in his *Journal of a Naturalist*, already referred to, states, that to the westward of the Blue Mountains he found the indigo shrub abundant; and that he was informed that indigo of a good quality had been prepared from it. Dr. Lang also informs us that, in Australia, indigo to any extent may be cultivated. The importance of this native production, as furnishing a valuable article for export, will be immediately apparent, from the circumstance that, in the year 1832, there were imported into Great Britain 6,353,065lbs. of indigo; the highest average price, in the London market, being 7*s.* 9*d.*, and the lowest 3*s.* The mean price of 5*s.* 4½*d.* per pound upon 6,353,000 lbs. makes the money value of the quantity imported amount to the sum of 1,707,368*l.*

The Vine.—Vineyards are already multiplying in New South Wales. Dr. Lang says: "The vine "has been cultivated in various localities in New "South Wales, for many years past; but never to "any extent, or with a view to the making of "wine, till within the last three or four years. "There are now, however, many acres of vineyard

" throughout the colony; the vineyards of the more
" wealthy proprietors being, for the most part,
" under the management of scientific and practised
" vine-dressers from the south of Europe; and
" wine and brandy in considerable quantities have
" been already manufactured. . . . . The speci-
" mens of wine which have been produced from
" the colonial grape, have induced a general idea,
" on the part of the colonists, that the wine of
" New South Wales will be somewhat similar to
" the light wines of the Rhine, and of France.
" At all events, high expectations are entertained
" on the subject, and those of the landholders who
" have planted vineyards, begin to talk already of
" exporting wine to India and to England."

The opinion of Mr. Bennett, who viewed the productions of Australia with the eye of a botanist, and of a man of science, corroborates that of Dr. Lang. In his *Journal of a Naturalist,* he says:—
" The vine has now become an object of cultiva-
" tion over most parts of the colony, and the pro-
" lific bearing of the fruit, in a very short period of
" time after the cuttings have been planted, evi-
" dently proves that the Australian soil is ex-
" tremely suitable for its cultivation."

Vegetable Oils.—Dr. Lang informs us that the castor-oil tree grows luxuriantly in Australia; and Mr. Bennett states, that " the castor-oil shrub
" abounds in Australia, both in a wild and cultiva-
" ted state, thriving even in the most sterile soils;
" yet the oil is still imported and sold in New

" South Wales at a high price; when by very
" little attention, any quantity could be extracted
" from the seeds, not only for medicinal, but like-
" wise for domestic purposes, such as burning in
" lamps; for the latter purpose it is used in some
" parts of South America, as well as by the Ja-
" vanese and others."

Plants producing the camphorated oil, which so closely resembles the cayu-puti, are indigenous in Australia. I again quote from Mr. Bennett's *Journal of a Naturalist.* " About this place," (westward of the mountain range, where the territory of New South Wales approaches that of the New British Province,) " several of the varieties,
" or species of the Eucalyptus, which have oppo-
" site leaves of a bluish green colour, their surface
" being sprinkled thinly with a whitish brown
" powder, were very abundant. It is from their
" foliage that the largest quantity of the camphor-
" ated oil, which so closely resembles the caju puti,
" is produced. Some contain it in such abun-
" dance as to cover the hand with oil when one of
" the leaves is gently rubbed against it. I am
" informed that the oil has been extracted for
" medicinal purposes; and, I believe, will be
" found possessed of similar properties to the cayu-
" puti, so highly esteemed in chronical rheuma-
" tism as an embrocation."

The ordinary price of cayu-puti oil in the London market, is about 7*d.* per ounce. The soil and climate of Australia are congenial to the other

oil-yielding plants. The extensive demand for vegetable oils, and their value, as articles of commerce, in the markets of the East, have been fully shown in your work upon the Indian Archipelago.

Gums and Manna.—Trees of the Eucalyptus genus, and of the genus *Acacia*, are indigenous in Australia. Gums of various kinds, and also *manna*, are the spontaneous products of the soil. "I re-"marked," says Mr. Bennett (*Journal of a Naturalist*, Vol. I. p. 142), "the red gum in abun-"dance on most trees of the Eucalyptus genus; "the red, spotted, and white gum, iron and "stringy bark, manna, box, and others, produce "it profusely. It exudes both spontaneously, and "in large quantities, when incisions have been "made on the trunk, more particularly after rain. "This gum-resin has a strong astringent quality, "and is one of the varieties of the gums of com-"merce."

This scientific traveller says, elsewhere (Vol. I. p. 122), "White spotted gums, and box, to-"gether with other varieties or species of Euca-"lypti abound, with dwarf and other *Acacias*." And again (page 281), "Shrubs of the genus "*Acacia* were profusely in flower."

The Reviewer, who appears to be ever on the watch for an opportunity to knock his head against a fact, stoutly denies that *Acacia* and *manna* are to be found in Australia. His words are these:—

"Gums of various species and qualities are de-"scribed as abounding in the woods of Australia,

" and particularly gum Arabic, and manna. Here, " on a small scale, is a good specimen of the need- " less and ill-instructed statements of the projec- " tors. *Neither of the trees producing these* " *commodities exist in Australia.* The gum " Arabic is the produce of the *Acacia vera*, a " native of Arabia, and some parts of Africa; and " manna, not a gum at all, is the produce of one " or more species of *Fraxinus*, natives of Italy, " and other parts of the south of Europe."

Contrast the random assertions of the Reviewer with the statements of a scientific observer, giving the results of his own actual experience and personal inspection. In his *Wanderings in New South Wales*, being the *Journal of a Naturalist*, Mr. Bennett says:—

" The elegant drooping manna-trees were nu- " merous, and at this season secreted the peculiar " saccharine mucilaginous substance called *manna*, " which, in greater or less quantities, was lying " upon the ground beneath them, or upon their " leaves, trunks, and branches, in small white " flakes, resembling bits of starch. The taste of " this secretion is sweet and mucilaginous, having " a greater or less aperient effect on different " individuals. It is quite a sweetmeat, and seems " to consist of mucilage; sugar, and probably some " magnesia. Many of the colonists supposed the " manna was secreted from the leaves of the tree; " but from the foliage bearing a strong camphora- " ted odour, which the manna does not, in the " slightest degree, it was not probable; others

" again supposed it proceeded from the nectaries " of the flowers, which are white, growing in clus- " ters, and give the tree a beautiful appearance " when in bloom, attracting multitudes of parro- " quets. This tree, similar to the other Euca- " lypti, secretes red gum, both spontaneously and " in large quantities, on incisions being made in the " trunk. Birds, and several insects, feed upon the " manna; among others, the golan golan, as they " are named in the language of the country, the " 'locust' of the colonist; of which insect, as I " have before said, the aborigines declare it to be " the excrement. The manna is collected and " eaten by the natives. On examining the tree, " to ascertain positively from what part of it the " manna is secreted, I found, in several, that the " manna exuded in a liquid form, in minute drops, " from the bark, and then concreted upon the " trunks in large flakes. When secreted, it falls " upon the ground, where, in plentiful seasons, " large quantities may be collected."

What think you now of the Reviewer's accuracy, in asserting that " trees producing manna do not " exist in Australia?" What opine you of his discretion, in throwing stones from his glass windows, and in attributing to the supporters of the new colony, the putting forth of " good specimens " of heedless and ill-instructed statements." But you are probably weary of following the Reviewer through the interminable windings of his unaccountable errors. If you are, I can only say, with Gilpin, " So am I." I trust, however, that you are

not infected with the Reviewer's fact-hating malady; and that you will now permit me, in conclusion, to present you with some authentic statements, indicating the extraordinary commercial capabilities of Australia.

Superior commercial capabilities of Australia exemplified, by comparing the actual Imports and Exports of the Australian colonies with those of other countries.

A particular country, possessing peculiar advantages in the production of commodities demanded in foreign markets, will obtain, in exchange for the produce of a given portion of its labour, a larger supply of foreign products than can be obtained, in exchange for the produce of the same quantity of labour, by countries not possessing such advantages; and, as a necessary consequence, will have, in proportion to her population, a more extensive and prosperous foreign trade than they. Now the practical question for the consideration of those who are interested in the colonisation of Australia is this:—Do the Australian colonies actually carry on a foreign trade more extensive, in proportion to their population, than that which is carried on by our other colonial possessions? If the fact should be, that our settlements in Australia DO NOT carry on, in proportion to their population, a more extended commercial intercourse than that which is carried on by other British settlements, then I must admit, as the unavoidable inference, that the statements which I have

made, respecting the superior efficacy of Australian labour, have no foundation in reality, and that I merit whatever condemnation you may be disposed to pronounce upon the Reviewer, for asserting that trees producing manna do not exist in Australia. But, on the other hand, if the fact should be, that the Australian colonies HAVE a more valuable foreign trade, in proportion to their numbers, than that which is carried on in other British settlements, then we arrive, by necessary inference, at the antecedent fact, that labour and capital yield products of greater commercial value, when employed in Australia, than when employed in the other British colonies. Now, how do the facts actually stand? Let us see.

The population of New South Wales is 60,000; the exports and imports of that colony, in the year ending the 5th of January, 1833, amounted to 986,000*l.*, being 16*l.* for each individual. In the same year, the exports from the colony amounted to 384,000*l.*, being upwards of 6*l.* for each individual; and the imports, from the United Kingdom, amounted to 400,000*l.*; giving, on the average, a consumption of British goods, to the amount of upwards of 6*l.* 12*s.* 8*d.* for each inhabitant of the colony.

The population of Van Diemen's Land is 30,000; the total estimated value of articles of colonial produce exported from Van Diemen's Land* during the year 1833, was 150,000*l.*, being

* Van Diemen's Land Almanack for 1834.

an export of 5*l.* for each inhabitant. The amount of imports, consisting chiefly of British manufactures, for the same period, was 350,000*l.*, giving a consumption of foreign goods, equivalent to more than 11*l.* for each person. The total amount of exports and imports was 600,000*l.*, being at the rate of 20*l.* per head for the population.

The population of the two Canadas, as given by the last census, in 1832, is 750,000; and the total amount of their exports and imports, for the same year, amounted to 2,520,000*l.*; being about 3*l.* 10*s.* for each inhabitant. The imports were 1,567,000*l.*, or a little more than 2*l.* for each person; the exports 1,952,000*l.*, or about 1*l.* 5*s.* for each. In the year 1831, the declared value of the exports from the United Kingdom into the Canadas, amounted to 1,136,000*l.*, giving a consumption of British goods equivalent to little more than 1*l.* 10*s.* for each inhabitant of these colonies.

The population of Nova Scotia, Cape Breton, and Prince Edward's Island, as given by the last census, is 174,000; their exports, comprising the product of fisheries, agriculture, mines, and forests, amounted, in 1832, to 432,000*l.*, being equivalent to 2*l.* 9*s.* per head. The declared value of the imports into these provinces, from the United Kingdom, amounted, in the year 1831, to 311,000*l.*, giving a consumption of British goods, equivalent to about 1*l.* 15*s.* for each inhabitant of these provinces. The total of their exports and imports was 743,000,000, being less than 4*l.* per head upon the population.

According to the official returns, the population of the Cape Colony, in the year 1831, was 126,000; and, according to the accounts published by the Board of Trade, the total of the exports and imports of the colony, to and from all countries, amounted, in the same year, to 558,000*l.*, being at the rate of 4*l.* 9*s.* per head, nearly. The imports from Great Britain were 281,000*l.*, being a consumption of British goods equivalent to little more than 2*l.* per head; the exports to Great Britain were 127,000*l.*, being a slight fraction more than 1*l.* per head for the population of the colony.

In the year 1826, the population of the Mauritius amounted to 94,000 souls*. The declared value of the imports from the United Kingdom, in the year 1831, was 148,000*l.*; showing a market for British merchandise in the colony, amounting to a slight fraction more than 1*l.* 11*s.* 7*d.* upon the population.

The population of Ceylon, by an enumeration taken in 1831, amounts to 950,000. In 1830, the value of the exports from, and of the imports into, this colony, amounted to 620,000*l.*, being a fraction more than 13*s.* per head. The declared or real value of the imports, in 1831, from the United Kingdom, amounted to no more than 28,000*l.*†, showing the existence of a market for British merchandise, equivalent to 7*d.* per head upon the population of that colony.

Thus, the amounts of the exports and imports of these several colonies, establish, in an extra-

* McCulloch's Dictionary of Commerce. † Idem.

ordinary and striking manner, the superior commercial capabilities of Australia. The soil and climate of that country are so peculiarly adapted to the production of commodities, in great demand in foreign markets, and the results of the labour and capital, therein employed, maintain, in consequence, so high a comparative value in foreign markets, that, in proportion to its population, the colony of New South Wales has a commerce more than four times as great as the Canadas, four times as great as Nova Scotia, three and a half times as great as the Cape Colony, and twenty-three times as great as Ceylon; while it opens, in proportion to its population, a demand for British merchandise, more extensive by four fold than the Canadas, by nearly three and one-fourth fold than Nova Scotia, by three and one-third fold than the Cape Colony, by four fold than the Mauritius, and by 226 fold than Ceylon.

From the operation of similar causes, Van Diemen's Land, in proportion to her population, has a commerce nearly six times greater than that of the Canadas; five times greater than that of Nova Scotia; four and a half times greater than that of the Cape Colony; 30 times greater than that of Ceylon; while, in proportion to her population, she presents a market for British exports, more extensive by seven times, by six times, by five times, by seven times, and by 377 times, than the markets respectively presented by the Canadas, Nova Scotia, Cape Colony, Mauritius, and Ceylon.

The commercial superiority of the Australian

colonies, over the British settlements in North America, South Africa, and the East India Islands, may be perceived at a single glance, by placing the populations, the exports and imports of the whole, in juxta position, under the following tabular form :—

	Population.	Total Exports and Imports.	Per Head.	Imports from United Kingdom	Per Head.
	£.	£.	£. s. d.		£. s. d.
New South Wales	60,000	968,000	16 0 0	400,000	6 12 8
Van Diemen's Land.....	30,000	600,000	20 0 0	353,000	11 0 0
Canadas.....	750,000	2,952,000	3 10 0	1,136,000	1 10 0
Nova Scotia	174,000	743,000	4 0 0	311,000	1 15 0
Cape Colony	126,000	500,000	4 9 0	281,000	2 0 0
Mauritius	94,000			148,000	0 11 6
Ceylon	950,000	620,000	0 13 0	28,000	0 0 7

In my former illustrations, I assumed, that Australian commodities, produced by the labour of one, might possess a commercial value equal to that possessed by Canadian commodities produced by the labour of two. You perhaps imagined that, in thus proceeding, I was arguing, if not from an impossible, at least from a very extreme, and greatly exaggerated case. But what are the actual facts, as shown by the population returns, and the imports and exports of our North American and Australian colonies? The case from which I argued, instead of being exaggerated, was under-stated. In New South Wales, the value of the exports, for every 100 of the population, is

equal, not merely to the value of the exports for every 200, but to the value of the exports for every 500 in the Canadas. In Van Diemen's Land, the value, in relation to the population, of the commodities produced for foreign markets, is not merely twice as great, it is four times as great as the value, in relation to the population, of the commodities raised for exportation in the Canadas. With respect to some other of our colonies, the superior commercial capabilities of Australia are still more decided. A given amount of population in New South Wales, creates an exchangeable value for foreign markets, three times as great as that which is created, by the same amount of population, in Nova Scotia; six times, and two hundred times as great as the exchangeable value for foreign markets which is created by the same amount of population, in the Cape colony, and in Ceylon, respectively. The extraordinary superiority in the value-creating power of the labour employed in Australia, over the value-creating power of the labour employed in Ceylon, must be mainly attributed to the comparatively feeble character of the Asiatic races, of which the population of that island is principally composed. But the feeble character of their Asiatic neighbours will be a circumstance favourable to the rapid prosperity of the Anglo-Australians; since it will leave them, as you have so well shown, without competitors, in occupying the vast and teeming fields of employment, which

the Indian Archipelago offers to their energetic industry.

The commercial capabilities of Australia are superior, not only to those of the other British colonies, which we have been considering, but also to those of the most highly-favoured nations.

The United States of North America have hitherto been considered as advancing to wealth and greatness with a rapidity unexampled in the history of the world. In proportion to their population, their commercial wealth is less than that of New South Wales, or of Van Diemen's Land. By the last census, the population of the Union was 12,000,000; and in the year 1832, her imports and exports amounted to 180,000,000 dollars; that is, were equivalent to 15 dollars, or to 3*l.* 4*s.* 8*d.* sterling per head. In New South Wales the imports and exports are equivalent to 16*l.*; and in Van Diemen's Land to 20*l.* per head, upon the population.

Though, in any given number of years, the prosperity of England may have been less rapid than that of the United States, yet her actual wealth is beyond comparison greater. By the last census, the population of the United Kingdom was 24,000,000; and by the published accounts, the imports into the United Kingdom, for the year 1833, were 45,952,000*l.*; and the exports of the produce and manufactures of the United Kingdom amounted to 39,667,000*l.*, being a total of 85,619,000*l.* Thus, while the imports and exports are, in New South Wales as 16*l.*, and in

Van Diemen's Land as 20*l.*, to each inhabitant, they are in the United Kingdom only as 3*l.* 10*s.* to each inhabitant.

In considering the progress, and in calculating the prospects of Australian colonisation, we ought not to forget, that the British settlements in that country, have attained their present extraordinary prosperity, in spite of two very considerable disadvantages—the disadvantage of the low effective power of convict labour, as compared with free labour; and the disadvantage of a state of society, so uninviting and repulsive, as to overcome the allurements of an infinitely superior climate, and to cause the tide of redundant capital to flow towards the American, rather than to the Australian shore. In considering the prospects of the New British Province, we must remember that these causes of retardation will not be in operation there. In the New Province, free labour will be planted in sufficient abundance to admit of its most productive combination; and the social atmosphere will not be contaminated by the moral malaria of a convict population. In proportion to their population, New South Wales and Van Diemen's Land create more commercial wealth than the United States, or than the United Kingdom. Is it, therefore, too much to predict, that South Australia, placed in circumstances more favourable, is destined to enjoy, in proportion to her population, a larger share of commercial opulence than any other country of the world?

END OF THE FIRST PART.

PART II.

PART II.

ON THE INFLUENCE OF EXTENSIVE AND SYSTEMATIC COLONISATION, UPON THE WEALTH AND PROSPERITY OF THE MOTHER COUNTRY.

Economical objection to the planting of Colonies stated and answered.

It is a tenet held by a recent school of political economists, that colonisation, instead of being a source of opulence and power, tends to exhaust the resources of the parent state. This doctrine, though founded on an imperfect knowledge of the causes of national wealth, is yet entitled to respectful consideration, on account of the ability, and, on other questions of social science, the deserved reputation, and the high authority, of those by whom it is maintained. The economical objection against the planting of colonies, may be thus stated:

The power and the wealth of every country, is in proportion to the number of its people, and to the amount of the capital which affords them employment. When labour and capital are abstracted, for the purpose of establishing a new colony, the aggregate power and wealth of the mother country must be diminished, in the same

degree in which the prosperity of the new settlement is advanced ; while the condition of the reduced population remaining in the mother country, instead of being improved, may be impaired. The well-being of the people, the amount of real wages which they can earn, depends upon the proportion between labour and capital. If, in the establishment of new colonies, we subtract labour and capital in equal proportions, the labourers who remain in the mother country will receive exactly the same wages as before. And if, as is most probable, the first establishment of a new colony should cause capital to be withdrawn, in a greater proportion than labour, then, in the mother country, wages would not even remain stationary, but would be actually reduced. Colonisation, while it must, as a strictly necessary consequence, diminish the aggregate power and wealth of the parent state, may, as a highly probable consequence, reduce the demand for labour in a greater proportion than it reduces the supply, and thus deteriorate, instead of improve, the condition of the industrious classes remaining in the mother country.

Those who urge this objection, should carefully inquire, whether it be a legitimate deduction from experience. In the progress of colonisation, labour and capital, to an immense extent, have been transferred from England to North America. Have the consequences been a proportionate decline in the power and wealth of England, and a

diminution in the demand for labour, equal to, or exceeding, the diminution in the supply? The slightest observation is sufficient to convince us, that the consequences have been directly the reverse. The power and the wealth of England have increased, with the increasing prosperity of her colonies; and the British capital, planted in America, has occasioned not a diminished, but a vastly augmented demand for labour in the mother country. What would be the effect of recalling the United States, and of replanting their labour and their capital in England? The loss of the American market for British goods, and the destruction of the American supply of cotton wool, and other raw materials. Thus employment would be diminished, while additional multitudes sought to be employed. Millions would be starved to death, capital would perish, or be transferred to other countries; and the power and the wealth of England, would be contracted to the narrow limits within which they were confined, before the discovery and colonisation of America opened an expanding field to her industry.

The objection, that the abstraction of labour and capital, in establishing new colonies, checks prosperity, and diminishes employment in the mother country, is not a deduction derived from experience, but an inference drawn from the *assumed* principle, that the increase of capital is, in itself, sufficient to increase the field of employment, and the demand for labour. This assumed

principle is erroneous. In an agricultural country, not importing food and raw materials, the extent to which employment and the demand for labour can be carried, depends, not only upon the amount of capital, but also upon the quantity of land capable of yielding, in the existing state of agricultural knowledge, a quantity of food and of raw material, somewhat greater than that which is necessary to feed, and clothe, and lodge, all who are employed in direct cultivation, and also all those who are employed in supplying these, and themselves, with manufactured necessaries. In a commercial country, importing food and raw materials, the field of employment, and the effectual demand for labour, will not be limited by the quantity of land capable of replacing, with a profit, the articles expended in its cultivation. But even in a manufacturing and commercial country, importing raw produce, the field of employment, and the demand for labour, cannot be determined by the amount of capital ready to be invested in manufactures and commerce. In a country thus circumstanced, employment and wages will depend, not so much upon the amount of commercial and manufacturing capital, as upon the extent of the foreign market. If the foreign market does not extend, no increase of manufacturing capital can cause a beneficial increase of production, or a permanent advance of wages. Indeed, an increase of manufacturing and commercial capital, unaccompanied by a proportional extension of the foreign market, instead of

proving beneficial, might have a necessary tendency to lower the profits of trade, and to reduce the wages of labour. The injurious effect of a disproportionate increase of capital, has been experienced not unfrequently in the manufacturing districts; and it is important to trace out the *modus operandi*, by which it is produced.

All commerce is, in effect, a trade of barter; and the value of the productions of one country, in the markets of another, is determined by the proportion between the demand and the supply. Thus if, in the markets of America, the demand for English goods should remain stationary, while the supply of them should be increased, then, in the American markets, a given quantity of English goods would exchange for a less quantity of American produce than before; and if, in the markets of England, the supply of American produce should remain stationary, while the demand for it should be increased, then, in the English markets, American produce would exchange for a greater quantity of English goods than before. Now, on these obvious, and universally admitted principles of commerce, we can explain the process by which, in a commercial and manufacturing country, importing raw produce, the increase of commercial and manufacturing capital may lower the wages of the operative class. The cotton trade will afford an appropriate example.

Let us assume, for the sake of illustration, that

the relation between the demand and supply of British goods, in the American markets, and between the demand and supply of American produce, in the British markets, is such, that the quantity of American produce, which a given quantity of Manchester goods will exchange for, exceeds by fifteen per cent. the quantity of the American produce, including food, cotton wool, and other materials, consumed in producing the given quantity of Manchester goods. In this case, the average rate of manufacturing profit will be 15 per cent. Very skilful manufacturers, possessing superior advantages of connection and capital, may perhaps make 20 per cent., while inferior manufacturers, not possessed of these peculiar advantages, may realise only five per cent.; but, under the circumstances supposed, the general and average rate of manufacturing profit, must be 15 per cent.

This being the previous state of things, let us now suppose that, in England, an increase takes place in the amount of capital employed in the cotton manufacture, and in the quantity of cotton goods, while, in the foreign market, the demand for such goods remains stationary. The necessary consequences of this change will be, that the value of English cottons will fall in the markets of America, and that the value of American produce, cotton wool, and other materials, will rise in the markets of England. This fall in the value of manufactured goods, in relation to the raw

produce expended on their production, is the same thing as a fall in the rate of manufacturing profit. In the case we have assumed for illustration, if the increase in the amount of capital employed in the cotton trade, should be considerable, the fall in manufacturing profits might be as much as five per cent., leaving the general average 10 per cent., instead of 15 per cent. The superior manufacturer, who formerly realised 20, will now only obtain 15 per cent., while the inferior manufacturer, whose profits were formerly only five per cent., can now obtain no profits whatever. What will the inferior manufacturer now do? Will he retire from business altogether, or will he endeavour to go on, by effecting a reduction in wages?

Should there be an increase of manufacturing labour, as well as of manufacturing capital, while in the foreign market the demand for cotton goods remained stationary, the new capitalists, coming into the trade, could employ their accumulations in fabricating an increased quantity of goods, without withdrawing the hands from the old manufacturers. Therefore, when the inferior manufacturer, whose profits had been reduced to nothing, by the fall in the value of goods, said to his labourers, "I cannot live, unless I make some-"thing by my business; either you must work for "less wages, or I must cease to employ you;" his labourers, unable to get other employment from the new capitalists, would be compelled to submit to the reduction. It is self-evident, that, under

the circumstances assumed, wages must fall, or employment altogether cease. The supposition is, that the demand of the foreign market remains stationary; or, in other words, that the quantities of cotton wool, and of other raw produce, which the foreign consumers are able and willing to give for cotton fabrics, continue unchanged. In the foreign market, therefore, a greater quantity of cotton fabrics cannot be sold, unless the producers of these goods will take, for a given quantity of them, a less quantity of cotton wool, and of other raw produce. But, as the quantity of finished goods, required to purchase the raw produce, by the expenditure of which they are prepared, increases, manufacturing profits must continue to decline, until the inferior manufacturers are compelled either to reduce wages, or to cease altogether from employing labour. In a country depending upon foreign commerce, if manufacturing capital and labour increase faster than the foreign demand for finished goods expands, the employment of such increased capital and labour, must, of necessity, occasion a fall in the price of goods, and a reduction in profits, and in wages.

The same results would be produced by an increase of manufacturing capital, even though unaccompanied by an increase in the number of manufacturing labourers, provided that the increased capital should be invested in improved machinery, enabling the same number of hands to work up a greater quantity of goods. The

capitalist who should introduce the improved machinery, and should manufacture an additional quantity of goods, without employing an additional number of hands, would obtain compensation in the diminished cost of production, for the fall of price consequent upon the increased supply thrown upon the foreign market. Not so the inferior manufacturer, who, unable to resort to improved mechanical power, should employ the same number of labourers as before. To him, the progressive fall of prices, consequent upon the increasing supply of goods, would bring inevitable ruin, unless he could effect a countervailing diminution in the cost of production, by forcing upon the operative a reduction of wages. The operative must submit, or be thrown altogether out of work. In every state of the market, there will be a class of struggling manufacturers, who are just able to go on, at existing prices, and who must stop, should there be a fall of prices, unaccompanied by a corresponding fall of wages. Under such circumstances, submission to a fall of wages is the hard condition upon which, alone, the operative can obtain work.

The principles which I have here endeavoured to state, and to explain, are not fictitious principles, assumed for the purpose of accounting for the fact, of a fall of prices, of profits, and of wages. They are, on the contrary, general facts, or principles, true in themselves, and resting on the evidence of extensive experience. The data from which I have argued, are furnished, unfortunately, by the

history of the cotton manufacture in this country. After the first great improvements in the cotton trade were effected, a considerable period elapsed before the reduction in the cost of producing goods was followed by a corresponding increase in their supply, and diminution in their price. During the interval, profits and wages were sustained at an extraordinary height; large fortunes were rapidly realised, and the manufacturing population multiplied. This prosperous state of trade might have continued to the present day, provided the capital and labour, employed in foreign countries in raising the cotton wool, and the other raw produce, which are at once the equivalents and the component parts of the finished goods, had increased in an equal ratio with the increase which took place in the capital and labour employed in the cotton manufacture. This, unfortunately, was not the case. There was a rapid increase in the foreign demand; but there was an increase still more rapid in the supply. The trade extended in an extraordinary degree. Year after year, a greater quantity of work was executed. Year after year, additional capital was brought in, and improved machinery erected; and year after year, prices, and profits, and wages, fell.

The manner in which an increase of capital, and an extension of business, may occasion a reduction in the wages of the operative, is forcibly dwelt upon in the evidence taken before the Select Committee of the House of Commons, appointed

in the last Session of Parliament, to inquire into the condition of the hand-loom weavers. Most of the witnesses, as well masters and operatives, examined before this Committee, ascribe the fall of profits and of wages, to what they call "home competition;" and state that they mean, by home-competition, the coming into the business of new adventurers, who, either with their own or with borrowed capital, produce a greater quantity of goods than the market can take up, at existing prices, and thereby occasion a general fall of prices, of profits, and of wages, throughout the trade.

That which these practical witnesses call "home competition," is precisely analogous to that which writers on the science of commerce have denominated "over-trading." The names are different, but the things signified are the same. The operative feels, and the philosopher infers, that, in every trade, accumulations of capital, increasing the supply of goods, without a corresponding extension in the demand for them, instead of enlarging the field of beneficial employment, has a directly contrary effect, forcing upon the labouring classes the miserable alternative, of submitting to a reduction of wages, or of being thrown out of work, and having no wages at all.

It is universally admitted, that over-trading lowers prices, profits, and wages, in those particular branches of industry in which it occurs. But there is a school of political economists, who assume, that capital possesses some occult quality,

or influence, by which it creates for itself the field in which it is employed, and renders demand co-extensive with supply. Economists of this school contend, that though there may be partial, there cannot be general over-trading; and that, when over-trading occurs, a certain remedy for the evil may be found, in transferring capital from those employments in which it is in excess, to those in which it is deficient. With the economists who take the "high *priori* road," and anticipate the results of science by assuming the facts from which their principles are deduced, I presume not to contend. But to those who regard political economy as an inductive science, the principles of which are nothing more than general facts established by experience, I confidently submit the following considerations, as showing that capital cannot create for itself the field of profitable employment; and that, in any particular country exporting wrought goods in exchange for raw produce, there may exist a contemporaneous over-trading, throughout all the departments of manufacturing and commercial industry.

Those who attribute the greatest efficacy to capital, who contend that it measures the field of employment, and that its proportion to labour is the sole regulator of wages—even these superstitious worshippers of capital cannot but admit, that, in a country not importing raw produce, there may be a general redundancy, and glut of capital, when its accumulation can no longer be employed

upon soils which, in the actual state of agriculture, are not capable of yielding a quantity of produce equal to that which must be expended in their cultivation. Under these circumstances, a country has arrived at the stationary state, profits and wages are at their minimum, and rents at their maximum; and, though landed proprietors and others, may continue to save from their incomes, yet every new accumulation must be either hoarded, or exported, for it cannot be productively employed. Of the possibility of a redundancy, a general glut of capital in a country which does not import raw produce, and which, in the actual state of efficacy in the application of labour, has arrived at the limits of her own agricultural resources, there can exist no doubt. The only question is, whether in a country extensively engaged in foreign commerce, and importing raw produce, there can be such a plethora of capital, as to occasion stagnation, want of employment, and a general fall of prices, of profits, and of wages, throughout all the branches of the national industry, which supply the foreign market? In a country circumstanced as England now is, this is a question of the deepest, and most vital interest. I will endeavour to arrive at the solution of it.

It is a fact, established by experience, and universally admitted, that, in an industrious country, savings may be made from income, and that capital may be increased; and it is also a fact established by experience, and universally admitted, that in

countries in different states of improvement capital may increase in different ratios. Now, from these facts, founded on experience, and universally admitted, the necessary, the self-evident conclusion, is, that in a country depending upon foreign commerce, and importing raw produce, there may be a redundancy, a general glut of capital, occasioning over-trading, and a consequent fall of profits and of wages throughout all the branches of industry engaged in supplying the foreign market.

When, in England, the capital employed in supplying cotton fabrics, for the foreign market, increases faster than the capital employed in foreign countries, in raising the raw materials, by the expenditure of which cotton fabrics are prepared, then, as I have already stated, and as experience has too abundantly proved, the value of cotton fabrics, in relation to the elementary cost of their production, will decline, and, in the cotton trade, profits, or wages, or both, must come down. Now, causes similar to those which produce these effects in the cotton trade, may, at the same time, be producing similar effects in the silk trade, in the linen trade, in the woollen trade, and in all the other branches of industry in which goods are made for foreign markets. If the capital employed in preparing cotton goods for foreign markets, increases faster than the capital employed in foreign countries, in raising the materials of cotton goods, the capital employed in preparing

woollen goods may, at the same time, be increasing faster than the capital employed in the growing of foreign materials. The like may occur in all other trades. In all, manufacturing capital may increase faster than the foreign capital, which raises the materials of manufacture; and thus, in all the departments of industry supplying goods to the foreign market, there may be a contemporaneous over-trading, or a contemporaneous "home competition," occasioning a general fall of prices, of profits, and of wages, want of employment, and distress.

It will be apparent, from the principle which I have now endeavoured to establish, that, in a country exporting manufactured goods, and importing raw materials, there may be a general glut of capital, and excess of production, in relation to foreign demand, which cannot be remedied by transferring capital from one branch of manufacture to another. Partial over-trading, confined to some particular branches of business, may, indeed, be corrected by a more equal distribution of capital. When prices and profits are low in the cotton trade, and high in the woollen trade, a transference of capital, from the former to the latter, may restore the level. But when the level has not been disturbed, when prices and profits have fallen in the woollen, as well as in the cotton trade, then no shifting of capital can counteract the consequences resulting from its excess.

There is another important consideration,

connected with this subject. In a manufacturing country, importing raw produce, a general fall in wages and in profits cannot, by possibility, take place, except as the consequence of an excess of capital, and of a general overtrading, in relation to the demands of foreign markets. The cost of producing manufactured goods is resolvable into subsistence, and raw materials; and, therefore, while the quantity of manufactured goods, produced by the advance of subsistence and raw materials, to a given number of operatives, continues to exchange, in the foreign market, for the same quantity, or for the price of the same quantity, of subsistence and raw materials as before, the aggregate, to be divided between wages and profits, must remain undiminished; and, if real wages remain the same, the rate of profit must also remain the same. It is only when the quantity of finished goods produced by the advance of subsistence and materials, to a given number of labourers, will purchase, in the foreign market, a less quantity of subsistence and materials than before, that the aggregate to be divided between profits and wages is diminished, and that the necessity is imposed upon the manufacturer, of giving less wages, or of retaining less profit. But, wherefore should the quantity of finished goods, produced by advances to a given number of labourers, exchange, in the foreign market, for a less quantity, or the price of a less quantity, of subsistence and raw materials, than

before? Only because the supply of manufactured goods, in the foreign markets, bears a greater proportion than before, to the supply of raw produce offered in exchange for them. But the question recurs, Why should there be, in the foreign market, this alteration in the proportion between the supply of manufactured goods, and the supply of the articles constituting their elementary cost of production, and offered as their equivalents? The answer is this, and it goes to the bottom of the question. The quantity of capital, employed in producing manufactured goods, for the foreign market, bears a greater proportion than before, to the quantity of capital employed in foreign countries, in raising the articles which replace the elementary cost of preparing the manufactured goods. Thus, the single fact, that the manufactures of a country exchange, in the foreign market, for a less quantity than before, of the articles expended in preparing manufactured goods, is in itself a demonstration, that there is, in relation to the demand of the foreign market, a redundancy, a general glut of capital, over-trading, or home competition, lowering prices, profits, and wages. The converse of the proposition is, of course, equally true. In a manufacturing country, importing raw produce, the fall of profits and of wages demonstrates, that, in the foreign market, a redundant supply of manufactured goods has reduced their value in reference to the materials expended in their production. A fall in the value

of goods in the foreign market, proves, that at home, profits, or wages, or both, must have fallen; and a fall in wages and profits at home, shows, that in the foreign market, the value of goods must have declined. From whatever point we set out, we arrive at the same inevitable conclusion, that, in a manufacturing country, depending upon foreign commerce, and importing raw produce, a fall in profits and wages cannot take place, unaccompanied by a general redundancy of capital and over-trading, in relation to the foreign market.

What is the remedy? In a manufacturing country, importing raw produce, in what way can we avert the fall of profits and of wages, resulting from a redundancy of manufacturing capital in relation to the foreign market? Important questions these, and worthy of all consideration.

In a manufacturing country, depending upon foreign commerce, and importing raw produce, the fall in wages and profits, resulting from the increase of manufacturing capital, might be averted, provided the foreign market could be expanded as the supply of manufactured goods increased. It is obvious, that the manufacturers for the foreign market might double their capital and their exports, without any fall, either in profits or in wages, provided the double quantity of manufactured goods exported should exchange for a double quantity of subsistence and materials. But this extension of the foreign market depends upon two circumstances, both of which are beyond our con-

troul. We cannot cause the capital, employed by foreign countries in producing raw materials, to increase in the same proportion in which the manufacturing capital employed in preparing goods for the foreign market may increase; and even if we could increase, in this proportion, the capital employed in foreign countries in raising raw produce, we could not cause the increasing supplies of raw produce to be offered as the equivalents for our increased supply of wrought articles; for we could not prevent foreign countries from imitating the example we have set them, and from imposing high protecting duties on the importation of manufactured goods, and thus forcing their increasing supplies of food and materials to be worked up at home. To create an extension of the foreign market proportionate to the increasing powers of production in this country, is beyond our power. It is not to foreign countries that we must look, in order to prevent our accumulating capital from becoming redundant, and occasioning a decline in profits and in wages.

The fact, that in many branches of industry, profits and wages have declined as our export trade has increased, has led some benevolent individuals to infer, that the extension of commerce has proved a cause of distress, and that the condition of the people might be improved by regulations which would have the effect of shutting us out from the foreign market, and of limiting production to the supplying of the home market. These inferences are erroneous; they betray an indistinct percep-

tion of causes and effects. Reductions in the value of goods, in profits, and in wages, are all the effects of an increase of manufacturing capital and labour, unaccompanied by a corresponding increase in the foreign capital, which raises the materials and equivalents of manufactured goods. Regulations diminishing the quantity of goods exported, without, at the same time, diminishing the quantity of capital and labour employed in supplying goods to the foreign market, instead of removing, would aggravate the evil. Suppose, for example, that regulations were adopted, diminishing, by one-third, the quantity of cotton goods exported to North America; and that, from the increase of value, occasioned by reduced supply, the price in the American market, of the two-thirds, becomes equal to the former price of the whole. In this case, two-thirds of the masters and operatives employed in manufacturing cotton goods for the American market might divide amongst them, as their profits and wages, the same sum which formerly went as profits and wages to the whole. But what is to become of those who, by this process, are thrown out of employment? Two-thirds obtain higher profits and wages, by reducing the remaining third to destitution. When the labour and capital employed in preparing manufactured goods for the foreign markets increases faster than the capital and labour employed in foreign countries in raising the materials and equivalents of manufactured goods, the only possible means by which we can avert a

fall of profits and of wages, is, to find for the superabundant capital and labour other fields of profitable employment. The great practical problem is, to find where these other fields exist?

Home Colonisation, as a means of increasing employment, and preventing the decline of profits and of wages.

There are, in the United Kingdom, millions of acres of waste land capable of being reclaimed and cultivated. Might we not find, in the cultivation of these wastes, a profitable field for the employment of those increments of capital and labour, which become redundant in relation to the demands of foreign trade? And might we not, by an extended system of home colonisation, render the profits of industry independent of those varying relations with foreign markets, over which we can acquire no direct controul?

Whether home colonisation can expand the field of beneficial employment, and prevent the fall of wages and profits, must depend upon the quality of the available land upon which home colonies can be planted. In reclaiming and cultivating land, the produce of land must be expanded. Unless our wastes are of such a quality as to yield a quantity of produce greater than the quantity expended upon them, they cannot afford permanent employment to labour at all; and, unless the quantity of raw produce, sent to market in exchange for wrought goods, be greater than the quantity of raw produce which similar goods can purchase in

the foreign market, then home colonisation upon our waste lands, instead of counteracting the decline of profits and wages, resulting from the state of foreign trade, would have a decidedly opposite effect, and would render the rates of wages and profits lower than before. The principles now stated are of such importance, that it may be useful to demonstrate them by means of an illustrative example.

Let us suppose that the capital employed in manufacturing woollens for the foreign market increases, and that the augmented supply of these goods depresses their value in that market, until the woollen cloth, fabricated by the expenditure of 100 bags of wool, and 100 quarters of corn, exchanges for no more than 105 bags and 105 quarters. In this case, the rate of manufacturing profit will be reduced to 5 per cent. Let us now suppose, that a portion of the woollen manufacturers, dissatisfied with this low rate of profit, withdraw from the trade, and invest their capital in the cultivation of waste land. If this land be of such a quality, that to the expenditure of a portion of capital equivalent to 100 quarters of corn and 100 bags of wool, it will return a produce of 110 quarters and 110 bags, then the rate of profit will be increased from 5 to 10 per cent., not only upon the capital which these individuals transfer from manufactures to agriculture, but also upon the portion of capital which continues to be employed in the woollen trade. In the same country, commodities produced at equal cost are of equal

value. If an agricultural capital, equivalent to 100 quarters of corn and 100 bags of wool, reproduces 110 quarters and 110 bags, then the quantity of woollen goods produced by an expenditure of 100 quarters and 100 bags, will exchange for 110 quarters and 110 bags; and thus the capitalist, who continues in the woollen trade, will have his profit increased from 5 to 10 per cent., as well as the capitalist, who withdraws from that trade, and betakes himself to the cultivation of waste land.

Thus it is evident, that the effect of transferring the accumulation of capital from the foreign trade to the reclaiming and cultivation of waste lands, must depend upon the degree of fertility possessed by such lands. If the quantity of capital expended in fabricating a given quantity of wrought goods can raise from our waste lands a greater quantity of raw produce than these wrought goods can purchase in the foreign market, then either wages, or profits, or both, will be increased by transferring accumulating capital from foreign trade, to the cultivation of domestic wastes. But if these wastes are of such a quality, that the capital expended in fabricating a given quantity of wrought goods, can extract from them only a less quantity of raw produce than that which these goods can purchase abroad, then, abandoning foreign trade for the cultivation of waste land at home, instead of arresting the fall of wages and profits, must cause them still further to decline. If a capital consisting of 100 quarters of corn, and

100 bags of wool, can fabricate goods which will purchase 105 quarters and 105 bags in the foreign market, while it can raise only 102 quarters and 102 bags by the cultivation of waste land, then it is self-evident, that withdrawing capital from foreign trade, to the reclaiming of such land, would cause profits to fall from 5 to 2 per cent.

When the capital and labour, employed in the various departments of our foreign trade, increase in a ratio more rapid than that in which the foreign demand for our fabrics increases, the period at which the consequent decline of profits and wages may be arrested, by transferring the disproportionate accumulations to the cultivation of waste lands, will be determined by the quality of the next portions of such lands as may remain to be reclaimed. If a capital of 100 quarters of corn and 100 bags of wool can raise, from the next land to be reclaimed, 110 quarters and 110 bags, then the accumulation of capital will be transferred from foreign trade to home colonisation, as soon as the quantity of goods fabricated by the expenditure of 100 quarters and 100 bags, can no longer purchase 110 quarters and 110 bags in the foreign market. But if the next available land can yield only 102 quarters and 102 bags to the expenditure of 100 quarters and 100 bags, capital cannot be beneficially transferred from foreign trade to what is called home colonisation, until the value of goods in the foreign market has fallen so low, that their

exportation can realize only a profit of 2 per cent. And if, on the next quality of land, the expenditure of 100 quarters and 100 bags could reproduce no more than 100 quarters and 100 bags; then, though the profits of foreign trade approach to Zero, the overflowings of commercial capital could no longer be beneficially transferred to home cultivation—the stationary state of society would have arrived—profits and wages would be at their minimum — every new increasement of capital must be either hoarded or exported, and every birth, beyond that which might be necessary to keep up a stationary population, must be followed by a death brought on by deficient subsistence, or by the epidemics it engenders.

In the science of wealth there are no principles more demonstratively, I might say more self-evidently true, than these; namely,—that in the cultivation of the soil, productions of the soil must be consumed; and that no land can be retained in tillage, unless the quantity of produce which it yields, exceeds the quantity expended upon it. To effect the cultivation of the land, two classes of labourers must be supplied with food, and with manufactured necessaries;—the primary labourers, who are employed in tillage; and the secondary labourers, who are employed in supplying these and themselves with clothing, habitation, furniture, and implements. Land which, in the actual degree of skill, and efficacy in the application of labour, cannot yield all the food, and all the

materials, required by these two classes, cannot be cultivated at all; and land which cannot yield something more than this, cannot be cultivated with a profit. The productive classes cannot divide amongst them a greater quantity of produce than the earth produces. If the last land resorted to for food, and the materials of manufactured necessaries, yield a scanty produce, profits and wages must, in the nature of things, be scanty also.

Some persons, however, appear to imagine, that there is some occult and magical efficacy in high prices, rendering profits and wages independent of the *quantity* of necessaries produced. This currency doctrine is delusive and erroneous in the highest degree. When, in a particular trade, a rise takes place in the price of the article produced, unaccompanied by a corresponding rise in the price of the articles expended in producing it, then, in this particular trade, profits and wages may advance. Persons whose imperfect knowledge leads them to premature conclusions, infer from this, that a *general* rise of prices must afford to all the productive classes a general rise in the rate of profit, and in real wages. The error involved in this inference is obvious, is self-evident. In a general rise of prices, affecting all trades equally, the price of the articles expended in production is increased in the same proportion, as is the price of the article produced. The rate of profit, therefore, remains exactly as before; while

the money price of necessaries, rising in the same proportion as the money price of labour, leaves real wages exactly as before. The condition of the working classes, the aggregate to be divided between wages and profits, is determined, not by prices, but by the *quantity of commodities* which a given quantity of labour either directly produces, or obtains indirectly, in exchange for that which it directly produces.

A fall in the value of money, while in progress, operates beneficially for those who have fixed money payments to make, and injuriously for those who have fixed money payments to receive; and, on the contrary, a fall of prices has an unjust and injurious operation upon those who have fixed money contracts to discharge, and confers an unfair advantage upon the possessors of fixed incomes, and upon the mere monied capitalists. Such alterations in the value of money derange industry, and embarrass the productive classes, for a time, but only for a time. As soon as the money contracts, existing at the time when a change in the value of money occurred, have run off, it becomes, to the productive classes, a matter of perfect indifference, whether the general scale of prices be high or low. Upon the rate of profit obtained by the farmer, the manufacturer, or the trader, commencing business *de novo*, and not encumbered with money contracts, made when the currency was at a lower value, the present value of the circulating medium can have no influence what-

ever. A high scale of general prices can have no conceivable tendency to make the price of the articles produced bear a higher ratio to the price of the articles expended in production; nor can a low scale of prices, by any conceivable process, cause the price of the article produced to bear a lower ratio to the price of the articles consumed in producing it. To contend that a *uniformly low*, or a *uniformly high*, scale of prices can have any influence in causing high or low rates of profit, and of real wages, is to betray an utter ignorance of the principles which regulate the growth and distribution of national wealth. It cannot be repeated too often, that profits and wages depend, not upon the *prices*, but upon the *quantities* of the things produced; and that when, in the actual state of skill and efficacy in the application of labour, the next quality of available land cannot yield a quantity of produce greater than the quantity which must be expended on its cultivation, no action upon the currency, no elevation of prices, can avert that melancholy and stationary state, in which no additional labour and capital can be beneficially employed; in which profits and wages are depressed to their extreme minimum; in which further accumulations of capital must be either bonded or exported; and in which every birth beyond the number necessary to maintain a stationary population, must be followed by a death brought on by famine.

And this is the melancholy shore on which we should be speedily landed, were we to attempt to

prevent a fall of profits and of wages, by withdrawing our increasing capital and labour from foreign trade, and employing them in reclaiming and cultivating domestic wastes. Some portions of these wastes may be capable of yielding a quantity of produce, sufficient to replace, with an adequate surplus, or profit, the quantity of produce which must be expended for their improvement. But no sane person, who is acquainted with the general character of the waste lands of the United Kingdom, and with the quantities and the qualities of the various raw materials which we import from foreign countries, can, by any possibility, believe that these materials could be supplied by withdrawing labour and capital from foreign trade to the cultivation of waste land. By descending from general statement to a particular instance, the absurdity of such a belief will be made palpable.

The capital employed in England in working up cotton goods for the foreign market, has increased more rapidly than the capital employed in foreign countries in raising cotton wool, and the other raw materials with which cotton goods are fabricated. The consequences have been, a decline of profit and of wages; and the proposed remedy is, to withdraw a portion of capital from foreign trade, and employ it in raising the raw materials of the cotton manufacture from the waste lands of the United Kingdom. Who does not see that the remedy would be, beyond all measure, worse than the disease? When we forced the materials of the

cotton manufacture from the land of the United Kingdom, instead of importing them from countries congenial to their growth, the cost of obtaining these materials would be so enormously increased, that cotton fabrics, of British manufacture, could no longer be sold in the foreign market. Not a part, but the whole of the capital engaged in fabricating cotton goods for the foreign market, must be withdrawn from the trade, which would now be confined to supplying the limited quantity of goods, which, at their augmented cost and increased price, the home consumer could afford to purchase. Withdrawing a portion of the capital employed in preparing cotton goods for the foreign market, in order to produce the raw materials of such goods at home, so far from causing the remaining portion of such capital to be more profitably employed than before, would throw it out of employment, by the total destruction of the foreign trade.

In other trades, the woollen trade, the linen trade, and the silk trade, similar causes would produce similar effects. In these, as in the cotton trade, withdrawing a portion of the capital engaged in supplying the foreign market, and applying it to the production of raw materials at home, instead of rendering it more profitable to manufacture for the foreign market, would destroy altogether the foreign trade in manufactured goods. The cost of obtaining the raw materials would be so increased, that it would be impossible to compete

with foreign rivals in foreign markets; and, out of the British dominions, not a yard of British woollens, or linens, or silks, could be sold.

While home colonisation, forcing an independent supply of raw produce from our waste lands, thus destroyed the whole of our export trade in manufactured goods, would it produce the intended effect of keeping up the profits and the wages of those who worked for the home market? Quite the contrary. Profits and wages, instead of being kept up, would be depressed to their extreme minimum. Before the waste lands of the United Kingdom could supply the whole of the raw produce which is required for domestic consumption and manufacture, and which is now, in so large a proportion, imported from the foreign grower, the next land to be resorted to would be of a quality incapable of yielding a quantity of produce equal to the quantity which must be expended in reclaiming it. The stationary state would have been prematurely brought on. The measures adopted for advancing general prosperity would have arrested prosperity through all the departments of industry. In no work, or trade, or business, or profession, could additional numbers obtain employment. Every birth beyond the number necessary to keep up a stationary population, would be succeeded by a death occasioned by starvation.

And now, as I venture to believe, I have successfully disposed of the scientific objection to colonisation, namely, that as the wealth and power of

every country are in proportion to its capital and population, abstracting them for the purpose of planting new settlements in distant regions, instead of improving, must impair the resources of the parent state. In a country not importing food and raw materials, capital and labour become redundant, and profits and wages fall, as land is resorted to, which yields a quantity of produce greater by a less and less proportion, than the quantity expended on its cultivation; and, in such a country, therefore, abstracting the redundant accumulations, for the purpose of pouring them out on new colonies, removes the paralyzing pressure upon industry, and enables capital and labour, both at home and in the colonies, to realize a more ample reward.

In a country depending upon foreign commerce, and importing the materials of manufactures, capital and labour become redundant, in relation to foreign demand, and profits and wages decline, when the capital employed in manufacturing for the foreign market increases faster than the capital employed in foreign countries in raising the materials and equivalents of manufactured goods. Under such circumstances, an increase of the currency, and a general rise of prices, can have no tendency to enlarge the field of employment, or to arrest the fall of profits and of wages; and regulations, having the effect of withdrawing portions of capital from foreign trade in order to cultivate wastes, and to raise an independent supply of the raw materials of manufactures, instead of averting, would

aggravate the evil, by increasing the cost of raw materials, suspending the whole of the industry engaged in manufacturing for the foreign market, and bringing on prematurely, the melancholy stationary state in which profits and wages settle down to their ultimate minimum, and in which no additional capital, no additional hand, can be employed. The conclusion is inevitable. In a commercial country, which imports raw produce, and in which a redundancy of capital and labour is indicated by a decline of profits and of wages, abstracting the redundancy for the purpose of planting new nations, so far from narrowing the field of beneficial employment in the parent state, restores that equal proportion between the supply of goods and the demand for them, upon which commercial prosperity depends, and averts that fall of profits, and of wages, which inflicts embarrassment and privation upon the producing classes.

The more attentively we consider the principles which regulate the formation and distribution of national wealth, the more distinctly we perceive the error of those who maintain that the field of employment is commensurate with the capital and labour seeking to be employed; and that, therefore, the abstraction of labour and capital, in planting distant colonies, must diminish the productive industry, and impair the resources of the parent state. In the progress of every advancing country, a period arrives at which capital outgrows the field of employment, and at which additional accumulations cause profits and wages to decline

In a purely agricultural country, this period arrives, when the next qualities of land to be resorted to, yield a quantity of produce exceeding, in a less and less proportion, the quantity which must be expended in cultivation; and, in a manufacturing country, importing raw produce, this period of embarrassment and revulsion, of home competition, overtrading, and declining profits, necessarily arrives, when the capital employed in preparing goods for the foreign market increases faster than the capital employed in foreign countries in raising raw materials, and in exchanging them for finished goods. But in whichever way, or from whatever cause, the redundancy of capital and labour may arise, removing that redundancy by emigration and colonisation, instead of enfeebling domestic industry, relieves and renovates her oppressed and sinking powers.

I. *In a Manufacturing Country, depending upon Foreign Markets, abstracting Labour and Capital, for the purpose of planting Colonies, increases the quantities of Labour and Capital which can be employed at home.*—II. *Effects of extensive Colonisation upon Manufactures and Commerce.*

A principle remains to be considered, more important perhaps than any of those which have hitherto been discussed. When, in the progress of a manufacturing country importing raw materials, the period arrives at which labour and capital become redundant; then, transferring the redun-

dancy to new colonies, leads to an actual increase in the wealth and population of the parent state. This transference not only prevents the over-crowding of a limited field of employment, but renders the field itself unlimited, and capable of receiving indefinite additions of capital and labour.

The value of this most important principle will be more clearly and distinctly seen, if I explain its operation by examples, than if I were to trace it out by general reasoning. I will take my first illustrative example from the woollen trade.

Let us suppose that an increase takes place in the labour and capital applicable to the manufacturing of woollens for the foreign market, and that this increase exceeds, by 1,000,000*l.* and 10,000 operatives, the contemporaneous increase in the capital and labour employed in foreign countries in raising equivalents for woollen goods. In this case, if the additional capital and labour be employed in the woollen trade, the following consequences will ensue:—In the foreign market the supply of woollen goods will increase, and their value fall, while the demand for wool, and other raw materials of the woollen manufacture, will increase, and their value rise; and, in the home market, there will be home competition, or overtrading, and a fall of prices, of profits, and of wages, until bankruptcy amongst the less opulent masters, and mortality amongst the less robust of the over-worked and under-fed operatives, arrest the misery-inflicting extension of the trade.

Let us now trace, and consider, the very different effects which would be produced by withdrawing the redundant labourers and capitalists from the woollen trade, and by planting them in an Australian colony, where they would become demanders, and not suppliers, of the finished fabric, and suppliers, not demanders, of the raw materials. In England the price of wool would fall; the price of woollen goods would rise; and thus, by a double operation, the fund to be divided between labour and capital would be increased. But this would not be all. The creation of new colonial markets in Australia, could have no conceivable effect in closing up the foreign markets previously existing. While the same quantities of labour and capital continued to be employed in manufacturing woollen goods for the foreign market, other, and additional quantities, would be required in manufacturing these goods for the additional colonial market created in Australia.

Thus we can distinctly trace the manner in which the abstraction of redundant labour and capital, for the purpose of planting colonies, leads to an increase of the labour and capital employed in the mother country. In the case just stated, when home competition, and overtrading, had reduced profits and wages in the woollen trade to their minimum, our additional supply of capital and labour, if forced into the trade, could not continue to be employed, but would speedily perish, through increased bankruptcy and mor-

tality. But when the redundant capital and labour, to the extent of 1,000,000*l.* and 10,000 operatives, were planted in the new colony, and offered wool in exchange for woollen cloth, the increase in the supply of the raw material, and in the demand for the finished article, would occasion a rise of profits and an advance of wages in the woollen trade, and these would cause in that trade an increase of capital and of hands. But the increasing numbers would not now perish by the increase of bankruptcy, and of mortality, because they could now be beneficially employed in manufacturing woollens for Australia, where the planting of the capital and labour, formerly redundant in England, had created the materials and equivalents which constitute effectual demand. We may lay it down as an established principle in the science of colonisation, that in a manufacturing country, importing raw materials, the abstraction of capital and labour, redundant in relation to the materials and equivalents raised in foreign countries, for the purpose of employing them in the formation of new colonies, occasions a rapid recreation of the quantities abstracted, accompanied by an enlargement of the field of employment, giving them useful and permanent investment and occupation, instead of a redundant, melting away, and perishing existence.

The example which I have taken from the woollen trade, is equally applicable to all the other staple manufactures of the United Kingdom. The

redundant capital, transferred to the cultivation of the Australian plains, would create a new and additional demand for linens, and silks, and cottons, as well as for woollens; and would furnish, either directly or circuitously, a new and additional supply of materials and equivalents for these various fabrics. The indigenous flax of the country would be given as the equivalent for the linens of the mother country; and even should it be found impracticable to raise cheap supplies of raw silk, and of cotton wool, in the colony, cheap supplies of these materials would be obtained from China, in exchange of provisions, and would furnish the equivalent for the silk and cotton fabrics of England. But the trade between Australia and China would effect more than this. In Australia, deposits of salt, and rich natural pastures, of almost boundless extent, may furnish the staples of a provision trade in exhaustless abundance; while, in China, with her hundreds of millions of mouths, the demand for provisions is more extensive and intense than in any other portion of the world. In the markets of this over-peopled empire, the varied products of the soil, the fish, and salted and dried provisions of Australia, would be paid for in cotton and in silk, in tea, and in silver. The cotton and the silk would be sent to the mother country, and would be wrought up in the factories of England; and the teas and the precious metals, also sent to the mother country, in exchange for the abundant supplies of manufactured goods which

the colonists would require, would give England increasing means of purchasing, with the valuable products of the East, the elements of manufacturing industry from all the raw-produce-growing regions of America and the North of Europe.

Colonisation in Australia will open to our commerce a far wider, richer, and more varied field, than colonisation in British America. The timber and the corn of Canada cannot compete, on equal terms, with the timber and corn of the Baltic; and to maintain our trade with British America, we must cripple our trade with the North of Europe. On the other hand, the wool of Australia would require no protecting duties, placing us in a disadvantageous and invidious position with other commercial countries. The more effectual our arrangements for drawing supplies of timber from Canada, the more the cost of our houses, and buildings, and machinery, will be increased; and, as the cost of these forms part of the cost of producing other things, the more our superiority, in manufacturing for foreign markets, will be diminished. But the more effectual our arrangements for increasing the growth and importation of Australian wool, the more the woollen manufactures will be extended and improved, and the greater will become our power of purchasing raw produce from the rest of the world. For in proportion as Australia acquires the power of exporting larger quantities of wool, she will acquire, at the same time, the power of exporting larger

quantities of provisions and hides to China; as she exports these products of her pastures in greater quantities, she will import from China, tea, and silk, and cotton, and silver, in greater quantities; as she thus obtains these valuable articles in greater quantities, she will give them in greater quantities to England, in exchange for manufactured goods; and England, by means of this circuitous trade, obtains in greater quantities the silk and the cotton, the tea and the silver of China, her manufacturing industry will receive a two-fold, nay, a three-fold impulse and expansion. She will find in the growing markets of Australia an increasing demand for her fabrics; she will obtain, by direct exchange, more abundant supplies of raw materials; and with the teas and the silver, obtained from China through the medium of Australian commerce, she will be able to purchase the raw produce of America, and of the North of Europe, without being compelled to purchase it with British manufactures, offered at a value so reduced as to break through the barriers of hostile tariffs. An enlightened government, acquainted with the principles of commercial policy, as they apply to the peculiar circumstances of the British empire, will be solicitous to direct the tide of emigration to Australia, rather than to North America.

The inventions of Watt, of Arkwright, and of Crompton, increased, in almost a miraculous degree, the productive power of manufacturing industry in England. But these inventions did

not, and could not, increase, in a corresponding degree, the productive powers of the foreign agricultural industry which raises the materials and the equivalents of British manufactured goods. The consequence was, a divergement from that due proportion between the industry which works up raw materials, and the industry which raises them, upon which the permanent well-being of a manufacturing population necessarily depends. The supply of British fabrics was increased beyond the demand, and the demand for raw materials was increased beyond the supply. The value of wrought goods declined, in relation to the elementary cost of their production, and profits and wages fell, until the manufacturer was brought to the verge of bankruptcy, and a numerous class of operatives to the verge of starvation. In some branches of trade these evils of over-trading and home competition, have become so excessive and intolerable, that the question has been raised, whether the extension of the manufacturing system has been, not a blessing, but a curse to the country.

For these aggravated evils, the discovery of the true principles of colonisation affords the appropriate remedy. This discovery gives us the same unlimited power, with respect to the production of raw materials, which the inventions of Watt, and Arkwright, and Crompton, gave us with respect to the production of wrought goods. It enables us to re-adjust the balance between the different

branches of industry; and thus opens to British capital and labour, an expanding field of beneficial employment, the limits of which cannot be reached until all the fertile wastes of all the colonies of England have been appropriated and reclaimed.

Should the true principles of colonisation, recently developed, be judiciously and systematically applied to the new British province of South Australia, the population of the United Kingdom, and of Australia, may increase as rapidly as the population of the eastern and western States of the American Union, and double every 25 years, without pressing upon the limits of subsistence, and with an advance, rather than with a fall, of profits and of wages. Taking the present population of the United Kingdom at 25,000,000, and assuming the possible period of doubling to be 25 years, we should have, were the principle of colonisation carried out to its fullest capacity, an average annual increase, during the next 25 years, of one million souls. One half of these might be annually added to the manufacturing population of the mother country, and work up additional supplies of wrought goods, while the other half might be added to the agricultural population of the new British province, and employed in raising additional supplies of raw produce. The new province would advance with a rapidity unexampled in the history of the world; and, in a very few years, that portion of the population of England which is engaged in manufactures would be doubled.

Effect of extended Colonisation upon the agriculture of the United Kingdom.

It is for the landed proprietors of the United Kingdom to consider the effects which would be produced upon the value of land, and upon the progress of agriculture, by doubling the non-agricultural population employed in the manufacturing towns. Would not the demand for building ground, and the amount of ground rents, be doubled? Would there not be a proportionate increase, both in the extent and in the intensity of the demand for accommodation land, town fields, garden ground, and pleasure ground, and would not the augmented rent asked and received for them, advance in a similar ratio? Would not the perishable nature of milk, and garden vegetables; the bulk of hay, and of green crops; and the difficulty and cost of bringing cattle from distant countries by a long sea voyage, give to the landed proprietor, in the supplying of all these, a natural and necessary monopoly, beyond comparison, more strict, more effectual, and more valuable, than the existing artificial and uncertain monopoly, which corn laws can give in supplying grain? And as the increasing population increased the demand for food, would not the price of the productions of pastoral husbandry, milk, and butter, and fresh meat, rise in a much higher proportion than the price of bread? And would not the rearing of cattle become

more profitable, and afford a higher rent, than growing corn? Is it possible to answer these questions otherwise than in the affirmative?

There are other circumstances which, in the progress of improvement, must gradually tend to render England more of a cattle feeding and less of a corn growing country. No system of colonisation, no plan of commercial or of financial policy, deserves the name of an improvement, unless it have the effect of raising the real wages of labour. Now a rise in wages increases the cost of raising corn, in a greater proportion than it increases the cost of rearing cattle; and renders it necessary, in order to prevent the throwing of arable land into pasture, that the price of corn should rise in a greater poroportion than the price of butcher's meat. But the increase of wages will increase the demand for butcher's meat more than it will increase the demand for bread corn; while, as I have just stated, the natural monopoly in supplying butcher's meat, and other perishable products, will be much stricter than any artificial monopoly in supplying corn. Instead, therefore, of the rise in the price of corn being rendered greater than the rise in the price of butcher's meat, the directly opposite effect would be produced, and the price of butcher's meat, and of other products perishable in their nature, and costly in their carriage, would be increased in a higher ratio than the price of corn. Hence the rise in wages would render it the obvious interest of landed proprietors, and cultivators, to convert arable land into pasture.

It may be important to explain, by an example, the manner in which an improvement in wages, would diminish the growth of corn in England. Let us suppose that two farmers, occupying 500 acres each, pay the same rent, employ the same amount of capital, and sell their produce for the same price; let one of these farmers be chiefly engaged in tillage, and employ 20 labourers throughout the year; while the other, chiefly engaged in pasturage, employs only five labourers; and let the wages of farm labourers be 12*s.* per week. This being the previous state of things, let wages be raised from 12*s.* to 24*s.* per week; and the result will be, that the annual cost for the wages of the 20 labourers, on the arable farm, will be increased from 624*l.* to 1248*l.*; while, upon the grass farm, the cost for wages will be increased only from 156*l.* to 312*l.* It is self-evident, that the profits of the grass land will be greater than the profits of the corn land, unless the price of the produce of the arable farm should rise higher than the price of the produce of the grass farm, by the sum of 468*l.*, being the excess of the increase of cost, which the rise of wages compels the occupier of the arable farm to incur. But the rise of wages, by enabling the labouring class to consume a greater proportion of butcher's meat, and garden vegetables, and therefore causing them to consume a less proportion of bread corn, increases the demand for the produce of grass land, while it has a tendency to diminish the demand for

the produce of arable land; and the necessary consequence must be, that the produce of the latter, instead of bearing a higher, will bear a less proportionate price than the produce of the former. While the cost of growing corn is rendered greater than the cost of rearing cattle, the value of corn, in relation to cattle, will be depressed; and, from the operation of this two-fold cause, the owners and the occupiers of land will find, that they can realize higher rents, and higher profits, by feeding more cattle, and growing less corn.

Should the application of the true principles of colonisation, upon which, for the first time, enlightened statesmen are now acting, have the effect of increasing wealth, population, and wages, in the United Kingdom, landed proprietors would be speedily convinced, by a practical proof coming home to their pockets, that the corn laws are injurious to them. While bread-corn is the staple food of the labouring classes, restrictions on its importation must check the increase of the town population; and, by a necessary consequence, must check the growing demand for these perishable and bulky products, in the supplying of which the laws of nature have secured an effectual monopoly to the home grower; and by the supplying of which the owners and occupiers of land, in a prosperous manufacturing country, may obtain far higher rents, and realize far higher profits, than it is possible to obtain, or to acquire, by producing the staple article of

food. It is a fact, a principle demonstrably true, that in a country in which there is a considerable demand for perishable and bulky produce, not necessaries of life, and in which corn is the staple article of food, a fall in the value of corn has the effect of causing profits to be realized, and rents to be obtained, from lands which could not otherwise be cultivated.

The profits of the farmer, and the rents of the proprietor, both raised by a fall in the price of corn! To the political economists, who adhere to the letter without understanding the spirit of the Ricardo theory of rent, this principle may appear paradoxical, and even contradictory; but the following example will show, that it is established by a strict induction from facts.

When corn forms the staple article of subsistence, corn must be expended in the growing of corn; and, in order to grow corn with a profit, the *quantity* reproduced must exceed the *quantity* expended. Let corn be 10*s.* per bushel; and let us take a piece of land, upon which the same quantity of labour can raise, either 100 bushels of corn, worth 50*l.*; or 100 loads of garden vegetables, worth 50*l.* It is self-evident, that if the subsistence of the labour which must be employed, directly and indirectly, in raising these crops, be 100 bushels of corn, this land cannot be profitably cultivated for the production either of corn or of garden vegetables. It is equally self-evident, that, under the circumstances supposed,

a rise of cent. per cent., or of one thousand per cent., in the price of corn and of vegetables, could not enable this piece of land to be cultivated with profit; because in proportion to the increased price of the crop would be the increased cost of growing it. But if the price of corn were to fall while real wages remained stationary, then a profit might be realized by cultivating our piece of land for market vegetables. This can also be shown to be self-evident.

As the fall in the price of corn would enable some classes of consumers to indulge more freely in the luxury of garden vegetables, their price would have a tendency to rise, rather than to fall. But I will assume that their price remains stationary; and that the 100 loads, produced by our piece of land, continue to sell for 50*l.* If the price of corn should fall from 10*s.* to 8*s.* per bushel, real wages remaining as before, and the subsistence of the labour, directly and indirectly, employed in cultivating our piece of land, continuing to be 100 bushels of corn, then the money cost of raising our garden vegetables would be reduced to 40*l.* But their money price is 50*l.* at the least. This fall in the price of corn, therefore, enables the market-gardener, while paying the same real wages, to cultivate, with a profit of 25 per cent., a piece of land which, before the fall in the price of corn, could not be cultivated with any profit whatever.

Again: —While corn and vegetables both re-

mained at the original price of 50*l.* for 100 bushels, or 100 loads, land yielding 80 bushels, or 80 loads, on the application of labour consuming 100 bushels, could not be cultivated without a loss of 20 per cent. But let corn fall to 6*s.* per bushel, and the land yielding 80 loads of vegetables, on the application of labour subsisted by 100 bushels, can be cultivated, as garden-ground, at a profit of 33 per cent.; for the money cost of raising the 80 loads will be 30*l.*, and their selling price 40*l.* On the same principle, if corn were to fall to 4*s.* per bushel, land, capable of yielding 48 loads of vegetables, or 48 bushels of corn, to labour consuming 100 bushels, might be cultivated, as garden-ground, with a profit of 20 per cent. For, in this case, the money cost of subsisting all the labour, direct and indirect, necessary to the cultivation of the garden-ground, is reduced to 20*l.*, while the produce of 44 loads of vegetables, at 10*s.* per load, brings 24*l.* If, upon this land, which yields to the market-gardener a profit of 20 per cent., a farmer were to grow corn, he would lose his whole capital in two years.

Let us take another example, substituting butcher's meat for garden vegetables.

The cost of production is resolvable into the subsistence of all the labour, direct and indirect, which must be employed in effecting production. Let the subsistence of the labour requisite to cultivate a given extent of land be, as before, 100 bushels

of corn; and let the price of corn be 10*s.* per bushel, and the price of butcher's meat 10*s.* per stone. Under these circumstances, the profitable cultivation of the given extent of land cannot take place unless it yields either something more than 100 bushels of corn, or something more than a quantity of artificial grasses, or of other green crops, for the feed of cattle, sufficient to give 100 stone of butcher's meat to the market. But let the circumstances alter. Let the price of corn fall to 8*s.* per bushel, while the increasing demand for butcher's meat, in the supplying of which nature gives the home-grower a more effectual monopoly, keeps the price of that article at its former level; and then our given extent of land can be employed in raising food for cattle, with a profit of 25 per cent., though giving no more than 100 stone of butcher's meat to the market. The elementary cost of production—the subsistence of all the labour requisite to bring the product to market, is 100 bushels of corn, worth, at the reduced price, 40*l.*, while the market price of the product is 50*l.* Should the customary rate of profit be 15 per cent., this land, which could not be cultivated before the fall in the price of corn, will, in consequence of that fall, not only yield the customary rate of profit to the farmer, but will pay a rent to the landlord, equivalent to 10 per cent. upon the capital employed in cultivation.

If the price of corn should fall to 4*s.* per bushel, while the demand of an increasing number of wealthy consumers kept the price of fresh

butter, veal, and lamb, at 10*s.* per stone, then our given extent of land might be cultivated with the usual profit of 15 per cent., though of so inferior a quality as to yield only 46 stone of these agricultural luxuries; for the price of the 46 stone would be 23*l.*, while the price of the 100 bushels of corn expended in producing them would be only 20*l.* But if land yielding 46 stone to an expenditure of 100 bushels of corn, paid customary profits, land yielding 80 stone to the same expenditure, would pay a produce-rent of 34 stone, or a money-rent of 17*l.*; and land yielding 100 stone to a like expenditure, would pay a produce rent of 66 stone, or a money-rent of 33*l.* We have already seen, that this land, which yields ordinary profits, and pays a high rent, equivalent to three-fifths of its whole produce, when corn is at 4*s.* per bushel, could not have been cultivated with any profit whatever, when corn sold for 10*s.* per bushel.

The cases above taken, as illustrative examples, are sufficient to explain and to establish the principle, that, in a country possessing a growing demand for *agricultural luxuries*, a fall in the value of *agricultural necessaries*, in relation to agricultural luxuries; or, in other words, a rise in the value of *agricultural luxuries*, as compared with *agricultural necessaries*; extends cultivation, and raises rents. But this principle, so vitally important to the landed interest of England in the present circumstances of the country, can be proved and illus-

trated, not only by inductions from cases arbitrarily assumed as examples, but also by inductions from actual cases and existing facts. The moors of Lancashire could not originally have been made to grow corn, because the quantity of corn consumed by the labourers reclaiming and cultivating them, would have exceeded the quantity which they were capable of producing. But cheap corn was brought from Ireland and other places; increasing wealth and population created an intense and extensive demand for those agricultural luxuries, which, not entering into the subsistence of farm labourers, are not expended in reproducing themselves; and the consequence has been, that what was the barren moor, now bears crops of great value, and pays higher rents than the most fertile corn lands in England.

Sufficient, as I believe, has now been said, to show the effects which a systematic and extensive adoption of the new principles of colonisation would produce upon the progress of agriculture, and upon the value of land, in England. It has appeared, that removing redundant capital and labour from the United Kingdom, would occasion a rise in wages; that the rise in wages would increase the cost of growing corn in a greater proportion than it increased that of rearing cattle; and at the same time increase the demand, and the price of agricultural luxuries, in a greater degree than it increased the demand and the price of bread corn; and that, as a necessary consequence, the owners

and occupiers of land would have a strong pecuniary interest in substituting artificial grasses and green crops for corn, and in converting arable land into pasture. It has also appeared, that this change in the direction of agricultural industry, resulting from an increase in the intensity and extent of the demand for agricultural luxuries, would lead to the cultivation of sterile tracts, incapable of growing corn, and would occasion an increase of rents, far above that which corn-growing lands can ever afford to pay. And, it has further appeared, that in an improving country, a reduction in the value of the *primary necessaries*, which enter into the subsistence of labour, and which, therefore, in the last analysis, constitute the elementary cost of production, has the effect of diminishing the productive cost of agricultural luxuries, and of increasing the demand for them; of expanding cultivation, of raising rents, and of accelerating the change in rural industry, from the growing of corn to the feeding of cattle. From the principles which have thus been established, it follows, as a necessary consequence, that the systematic adoption, to their full extent, of the true principles of colonisation, might, in no distant period, double and treble the value of land in England.

There is another argument in favour of systematic and extensive colonisation, and this argument it behoves the land-owners of England to consider very carefully. The profit derived from corn land in

England is not now very considerable; and causes are in operation, which, if not counteracted, will make the little less. The fact is, and it is one of momentous import, that, while such different rates of wages exist in the two countries, England cannot compete with Ireland in growing corn. In Ireland, corn is produced by the expenditure of potatoes; in England, it is produced by the expenditure of wheaten bread, cheese, and bacon. Upon equal qualities of land, and with equal efficacy of labour, therefore, the cost of producing corn in Ireland would be less than the cost of producing it in England, by the difference between the price of subsistence when it consists of potatoes, and the price of subsistence when it consists of wheaten bread, cheese, and bacon. The consequence is, that the field of tillage is extending in Ireland, and contracting in England; Irish corn is poured into the British markets, until the price of grain becomes so low, that it cannot be raised in England upon the heavy soils, which it requires considerable labour to subdue. This for some time has been a growing evil, and there are causes now coming into operation, which will render its growth more rapid.

In the first place, the consolidation of farms in Ireland, by admitting of combined labour upon the land, is causing a greater produce to be raised by fewer hands, and pouring increasing supplies of corn upon the English market. In the second place, the great object of the Poor Law Amendment Bill

was, to abolish the allowance system, by which a portion of the wages of husbandry labour was paid out of the parish rates. Now, whatever the evils, whatever the injustice of the allowance system, it has had, at least, this effect—it has diminished the cost of labour to the English farmer; and has thus enabled him to meet, with less disadvantage, the competition of the Irish grower, and to raise corn from soils which could not otherwise have been tilled. When, under the operation of the Poor Law Amendment Bill, this system shall be abolished; when, in agricultural parishes, the rates levied on the non-agricultural inhabitants are no longer applied in part payment of the wages of agricultural labourers; and when, in consequence, the farmer, who employs labourers, must advance a rate of wages sufficient to enable the married labourer, with the average number of children, to support his family, then the difference between English and Irish wages will be considerably increased; the cost of growing corn in England will exceed, by a still greater proportion than at present, the cost of producing it in Ireland; the English grower will be less able than he now is to compete with the Irish; and in England, the heavy lands, requiring considerable labour to keep them in a state of improvement, will be unable to repay the cost of tillage, and will be thrown up, and left untenanted.

There are three possible ways in which the progressive decline of agriculture in England may be

averted. The first is by such an importation of Irish labour as will reduce English labour to the Irish level. But this remedy would be worse than the disease; and cannot, and must not, be resorted to. Its adoption would be destructive.

The second means by which it might be possible to enable the English corn-grower to compete successfully with the Irish, would be to raise Irish wages to the level of English wages. This remedy would be effectual, and would be in the highest degree beneficial to both countries. But, in order to apply it, in order to bring Irish and English wages to a common level, without reducing the reward of labour in England, it would be necessary to adopt such a systematic and extensive plan of colonisation, as would have the effect of turning the tide of Irish emigrating labour from England, and pouring it in an augmented volume upon the colonies.

The third means of averting the progressive decline of agriculture in England is to increase the intensity and the extent of the demand for those bulky and perishable products of the soil, in the supplying of which the home grower possesses a natural monopoly. This is the best and most certain remedy of all; and, as I have already shown, the most effectual mode of applying it, will be the adoption of a large and systematic plan of colonisation, opening an expanding field to manufacturing industry, multiplying the numbers, and increasing the profits and the wages of the non-agricultural

classes, and creating a growing intensity and extension in the demand for those non-importable articles of agricultural produce; which, not being necessaries of life, do not enter into the elementary cost of production. It cannot be too often repeated, that, in a country possessing manufacturing superiority, a fall in the value of corn, when it is the staple food of the working classes, extends cultivation over sterile tracts which could not otherwise be reclaimed, and raises rents to an otherwise impossible elevation. Of all classes in the community, the owners and occupiers of land in England have the deepest interest in the adoption of a large and permanent scheme of colonisation, and in opening the ports to the free importation of food, from whatever countries it can be most cheaply procured.

Effect of Prices upon Agriculture.

Perhaps there is no one subject connected with national industry, upon which ambiguity, misconception, and error, are more prevalent than they are with respect to the influence of prices. On this important subject there are no clear conceptions, and there is therefore no definite language. The term price, is not unfrequently confounded with that of value; and the important distinctions between nominal and real, and between absolute and comparative price, are rarely marked with the requisite precision. But we can arrive at no correct con-

clusion respecting the influence of prices upon productive industry, unless we can form to ourselves a clear and distinct conception of what it is in which price differs from value, and in what one species of price varies from another.

The term, exchangeable value, expresses the power of purchasing with respect to commodities in general:—the term, price, denotes the same power with respect to some particular commodity, the quantity of which is given. Thus, when I speak of the exchangeable value of cotton as rising or falling, I imply, that it will purchase a greater or a less quantity of corn, and wine, and labour, and other marketable commodities: but when I talk of the price of cotton as rising or falling, I mean, that it will purchase a greater or less quantity of some one particular commodity, such as corn, or wine, or labour, or money, which is either expressed or understood. Exchangeable value may rise while price falls, or fall while price rises. For example, if cotton were, from any cause, to acquire twice its former power of purchasing, with respect to commodities in general, while gold, the particular commodity in which the price of cotton is expressed, rose in a still higher ratio, and acquired four times its former power in the market;—then, though the exchangeable value of cotton would be doubled, its price would fall one half. Again; if cotton would purchase only half the former quantity of commodities in general,

while it purchased twice the quantity of some particular commodity, such as corn, or wine, or labour, or money,—then its exchangeable value would have sunk one half, while its price, as expressed in corn, or wine, or labour, or money, became double. And again;—if cotton, and the particular commodity in which its price is expressed, should rise or fall in the same proportion with each other, then the exchangeable value of cotton, or its general power of purchasing, would fluctuate, while its price remained stationary.

Price, then, is the quantity of that particular thing or commodity which is given, in order to procure another commodity. As the precious metals are the things which general consent has rendered the immediate instruments of effecting exchanges, the term, price, when employed singly, and without qualification, is understood to imply the sum in the metals, or in the representatives of the metals, which must be given for the article we require. The qualified terms, corn price, labour price, &c. signify, of course, the quantity of corn or of labour which must be parted with, in order to obtain any given quantity of the commodity we want.

Having, in the above passage, endeavoured to explain the distinction between wealth and value, I will now attempt to point out the circumstances in which one species of price varies from another. The nominal price of a commodity, is that which is

given for it in the coin or paper which may be employed as the currency of any particular country; the real price of a commodity, is that which is given for it in bullion, which is employed as the currency of the commercial world. It is sufficiently obvious that a degradation of the circirculating coin, or a depreciation of the circulating paper, may, at any time, occasion a rise of nominal prices, while real, or bullion prices, remain unaltered.

The absolute price of a commodity is the quantity of bullion which is given for it in any particular country, without reference to the quantity which may be given for similar commodities in other countries. The comparative price of a commodity is, as the name denotes, the quantity of bullion which is given for it, considered in connection with the quantities of bullion which may be given for similar commodities in other countries. Absolute prices rise or fall, as the proportion between the supply of the precious metals, and the demand for them, increases or diminishes; comparative prices rise or fall, in any particular country, in proportion as that country can obtain in exchange for the produce of any given quantity of her labour, a greater or less *share* of the precious metals circulating in the world, than that which can be obtained by other countries, in exchange for the produce of the same quantities of labour. Comparative prices may rise, while absolute prices fall, or fall while absolute prices rise. Were the mines of the world to

become more productive, and the value of the precious metals to decline, absolute prices would rise, as well in England as in France. But, were France, during this process, to acquire a superiority over England, in supplying articles extensively demanded in foreign markets, the produce of a given quantity of French labour would exchange for a greater quantity of gold than the produce of the same quantity of English labour; and England, though possessing a higher scale of *absolute* prices than before, would possess a lower scale of *comparative* prices: she would command a greater quantity of gold and silver than before; but could command a less proportion of the products of foreign industry, in all its innumerable branches. Her currency would be expanded, and her trade contracted; she would have more money than before, and less wealth than her neighbours.

Should I have been in any degree successful in explaining the doctrine of prices, it will be obvious, that the agricultural interest in this country can derive no permanent advantage through any action upon the currency. It might be easy to raise the nominal prices of agricultural produce, by reducing the standard of the coin, or by depreciating the currency below its present standard:—by giving us a little shilling, or an over issue of paper. But what permanent benefit could the cultivators of the soil, or any class of producers, derive from such an operation? Debtors would be benefited at the expense of creditors. The landed proprietor, whose

estate was encumbered—the farmer, who had contracted to pay a given sum in the currency for a term of years—the manufacturer and merchant, who did business at long credit, or with borrowed capital, would, undoubtedly, be benefited by the change. In this way, active producers would obtain an advantage at the expense of dormant capitalists, and the possessors of fixed incomes; and the rate of profit, and, by possibility, real, as well as nominal wages, might advance. But these effects would speedily pass away, and the rates of profit, and of real wages, would fall back to what they had been before the change. As current leases expired, nominal rents, nominal wages, and the nominal price of every article consumed, or employed in cultivation, would rise in exactly the same proportion in which the value of the currency had been lowered, and the permanent state of agriculture would be that which it before had been.

Consequences precisely identical would result were a real, instead of a nominal rise of prices to take place. Augmented productiveness in the mines, increasing the supply of gold and silver, and reducing their value, would, while in progress, alter the distribution of property in favour of active producers, and against monied and dormant capitalists; and would thus give a temporary impulse to agriculture, and to other branches of industry. But no permanent benefit to the producing classes could possibly result from the change. When ex-

isting contracts for lands, and houses, and for credit, and for loans, had run off, all interests would be as they had been. The money price of the necessaries of life would bear the same proportion as before, to the money wages of labour; and the money cost of cultivation would bear the same ratio as before, to the price of produce. The fall in the value of the precious metals, or, in other words, the rise in real prices, could not, in the nature of things, have the effect of permanently relieving the agricultural interest from embarrassment and depression. Were the precious metals to become so abundant, as to reduce the value of the gold contained in a sovereign, to the present value of the silver contained in a shilling; and that of the silver contained in a shilling, to the present value of the copper contained in a farthing, the consequences, to the farmer, would be, that for all the outgoings he would have to pay as many sovereigns as he now pays shillings; and that, for all articles of produce he would receive as many sovereigns as he now receives shillings; and as many shillings as he now receives farthings. The proportion between the value of his outlay and the value of his produce would remain unchanged. The ingredients of his capital, its productive efficacy, and the rate of profit realized upon it, would all be as before.

The influence of comparative price upon agriculture remains to be considered. In other words, we have now to consider in what manner, and to what extent, the proprietors and cultivators of the

soil, in this country, may be benefited by that superior efficacy, in manufacturing industry, which causes the produce of a given quantity of English labour to command a greater proportion of the circulating medium of the world, than is commanded by the produce of the same quantity of foreign labour. As well as I remember, this subject, so far from having been investigated, has not even been adverted to in any of those formal inquiries into the state of agriculture which become almost perennial; and I shall therefore endeavour to explain it, with the distinctness and accuracy which its importance appears to demand. The best mode of doing this will probably be to take a case, and to proceed by way of example. If we can ascertain the operation of comparative prices under the circumstances of our assumed case, it will not be difficult to make the requisite corrections, for any difference between the circumstances of our assumed case, and those of the more complicated cases which occur in practice.—Let our case be as follows:

In England and in France, the gradations in the quality of soil, and the degree of skill in agriculture, are equal; so that, in the two countries, equal quantities of labour, applied to lands of equal fertility, raise equal quantities of produce. Both countries import a part of their supply of corn; and, in both, the customary price of wheat is determined by foreign importation, and is 40*s.* per quarter. Coal mines, and iron mines, superior machinery, and superior skill, give to England such advantage over France in the

several branches of manufacturing industry, that it requires the labour of three men in France to produce the same quantity and quality of finished goods, which the labour of two men can produce in England. Both countries export manufactured goods; and the goods of both, being equal in quality, sell in foreign markets at the same price; that is, articles produced by the labour of two in England, command the same quantity of gold which is commanded by similar articles produced in France by the labour of three. The question we have to consider is, what would be the effect upon English agriculture, of this high comparative scale of prices?

It is obvious, under the circumstances assumed, that while the price of wheat, in both countries, is 40*s.* per quarter, the prices of all the bulky and perishable products of the soil, which cannot be imported, will be 50 per cent. higher in England than in France. The non-importable agricultural produce raised in England, at a cost equivalent to the labour of two, is equal in price to the manufactured goods produced in England by the labour of two; but the manufactured goods produced in England by the labour of two, are equal in price to the manufactured goods produced in France at a cost equivalent to the labour of three; and the manufactured goods produced in France, at a cost equivalent to the labour of three, are equal in price to the agricultural produce produced in France by the labour of three; and,

consequently, as things equal to the same thing are equal to each other, the non-importable agricultural produce, raised in England by the labour of two, will be equal in price to the non-importable agricultural produce raised in France by the labour of three. This will cause an important difference between the states of agriculture in the two countries.

The price of wheat, in both countries, is 40*s.* per quarter. Let the last land which is resorted to in France, and which, therefore, pays no rent, be of such a quality, that it yields, one year with another, 400 quarters of wheat to the labour of 100 men. It is obvious that, in England, land of this quality could not be cultivated in such a manner as to yield, one year with another, only 400 quarters of wheat, worth 900*l.*, to the labour of 100; because, by the supposition, the labour of 100 can raise from such land non-importable agricultural produce worth 1200*l.* In England, therefore, land of this quality will, for a succession of seasons, be kept under pasture, artificial grasses, and green crops; and will be cultivated for corn, only once in five or six years, when the renovated powers of the soil may cause it to yield 600 quarters of wheat to the labour of 100. The whole annual produce, raised from this quality of soil, by the labour of 100, will sell, in France, for 800*l.*, and, in England, for 1200*l.* For this quality of soil let there be no rent paid in either country

Now, let the next quality of land, cultivated in the two countries, yield to the labour of 100, one year with another, either 600 quarters of wheat, or else 600 loads of non-importable produce, which will sell, in France, for the same sum as 600 quarters of wheat: namely, 1200*l.*; and which will sell, in England, 50 per cent. higher, or for 1800*l.* It is evident that, in England, this quality of land will not be cultivated so as to yield, one year with another, 600 quarters of wheat, at 40*s.* per quarter, but that it will be kept under pasture, or under a succession of green crops, until its accumulating fertility causes it to yield, once in four or five years, 900 quarters of wheat. Hence, the annual produce raised by the labour of 100, from this quality of land, will sell, in England, for 1800*l.*, and, in France, for 1200*l.* This quality of land will pay rent in both countries. Will the high comparative scale of prices cause the rent to be higher in England than in France? Let us see.

In France, the price of the produce, raised by the labour of 100, from that quality of land which pays no rent, is 800*l.*, while the price of the produce, raised at equal cost, from the next quality of land, is 1200*l.*, and, therefore, the money-rent, in France, of the next quality, is 400*l.* In England, the price of the produce raised by the labour of 100, from the last quality of land paying no rent, is 1200*l.*; the price of the produce raised on the next quality, at equal

cost, is 1800*l.*, so that, in England, the money-rent of the next quality will be 600*l.* Thus we see, that, in this case, the superior efficacy in her manufacturing industry, which causes the produce of a given quantity of the labour of England to command a greater quantity of the precious metals, by 50 per cent. than is commanded by the produce of the same quantity of French labour, has the effect of rendering money-rents higher, by 50 per cent., in England, than in France. But if the price of the produce of English labour be 50 per cent. higher than the price of the produce of French labour, what real benefit can the English landed proprietor derive from receiving a money-rent, higher, by 50 per cent., than the money-rent received by the French proprietor? Let us see.

The price of corn, and of all the products of foreign industry, is the same in England as in France. Nay, the price of all manufactured goods is also the same in England and in France; because, though the produce of a given quantity of manufacturing labour sells for more, by 50 per cent., than the produce of the same quantity of French manufacturing labour; yet, as the efficiency of English manufacturing labour is, by the supposition, 50 per cent greater than that of French manufacturing labour, the same quantities of the same articles, sell at the same price in the two countries. It is only, then, with respect to those bulky and perishable commodities, which cannot

be imported, that the English landed proprietor will have to pay a higher price, by 50 per cent., than the French proprietor. Hence, the English proprietor will not only receive a higher money-rent, by 50 per cent., than the French proprietor, but, except with respect to bulky and perishable agricultural produce, will be able to command a greater quantity, by 50 per cent., of every article of consumption. He will not merely obtain a higher money or nominal rent, but, also, a higher commodity, or real rent.

Let us now consider the effect of these high comparative prices, upon the condition of the farmer, and of his labourers. The price of the produce raised by the labour of 100, from lands yielding no rent, is 800*l.* in France, and 1200*l.* in England. In England, farmers employing 100 labourers, have a larger annual sum, by 400*l.*, to dispose of, than farmers employing 100 labourers in France; and this larger sum will take the form of higher money profits, and higher money wages. Now, if the price of all commodities were higher, by 50 per cent., in England than France, the real condition of farmers and labourers would be the same in England and in France But it is only non-importable agricultural produce, the price of which is 50 per cent higher in England than in France. Corn, manufactured goods, and all imported articles, sell, by the supposition, at the same price in both countries. Under the circumstances supposed, therefore, their larger money

returns, and their higher money wages, give to the farmers and labourers of England, a more extensive command over the necessaries of life, than that possessed by the farmers and labourers of France, and place them in a condition of superior comfort and enjoyment.

It is obvious that, in the case supposed, England would import a much larger proportion of her supply of corn than France. The quality of land which, in France, yielded 400 quarters of corn, one year with another, could not be made to grow corn in England, except once in four or five years, after rotation crops, and high dressings, had enabled it to yield 600 quarters; and superior land, which, in France, yielded 600 quarters annually, would, in England, yield 900 quarters once in four or five years. Now let us suppose that the English landed interest, alarmed at depending upon foreigners for food, lay a tax of 50 per cent. upon the importation of corn, and, by this means, cause the price of corn, and of other agricultural produce, to rise 50 per cent. higher in the English than in the French markets; and let us inquire, whether the agricultural interest would derive any real benefit from the protection thus afforded to the British corn grower.

Under this new circumstance, the landlord would receive the same money-rent as before, but his corn-rent would be diminished, by 50 per cent. For while the manufactured goods produced by the labour of 100, continue to sell, in the foreign

markets, for 1200*l.*, the 400 quarters of wheat, which, in consequence of the change of culture, are now raised by the labour of 100, from land paying no rent, will also sell for 1200*l.*; and the price of the 600 quarters, which are now raised by the same quantity of labour, from the superior land, will be equal to the price of the 600 loads of non-importable produce formerly raised from it: namely, 1800*l.* The difference between 1200*l.* and 1800*l.*, or 600*l.*, continues, therefore, to be the money-rent of the superior land. But formerly this amount of money-rent was equivalent to 300 quarters of wheat. It is now equivalent only to 200 quarters. Hence, though possessing an undiminished money, or nominal income, the landed proprietor will command a less quantity of corn than before; and, unless real wages should be considerably reduced, will have the command of a less quantity of labour than before.

A similar result will take place with respect to farmers and rural labourers. Formerly, when the 400 quarters of wheat, raised by the labour of 100, from land paying no rent, sold for 800*l.*, and the 400 loads of non-importable produce, raised from the same quality of land by the same quantity of labour, sold for 1200*l.*, the farmer cultivated non-importable produce in preference, and had 1200*l.* to divide between himself and his labourers. Now, when the price of corn has risen 50 per cent., he raises 400 quarters of wheat, instead of 400 loads of non-importable produce, and obtains

the same money return of 1200*l.* But, though he has the same quantity of money to divide between himself and his labourers, he has not the same quantity of corn to divide. Formerly, his 1200*l.* represented 600 quarters of wheat: now, this sum represents only 400 quarters. Consequently, either the rate of profit, or real wages, or both, are reduced.

When superior efficacy in any principal branch of industry gives to a particular country a larger command of the precious metals than her neighbours, the natural consequences are, that in the country possessing this advantage, the non-importable products of the soil will sell for higher prices than in other countries; while, after making the necessary correction for the cost of carriage, importable products will sell at the same price in all. And we have just seen, that the landed interest, in a country possessing this superior command over the precious metals, would inflict an injury upon themselves, could they succeed in altering these natural results, and in establishing an artificial monopoly in favour of corn, and other importable products, so effectual as permanently to maintain for them the same high comparative scale of prices which the natural monopoly maintains for non-importable produce. But this is not all. It is physically impossible to force an independent supply of importable agricultural produce, and at the same time to maintain for it a scale of prices permanently higher than that which prevails in the

neighbouring growing countries. A country growing her own supply of corn in average years, must import in deficient years, and export in abundant years. But, if we have adopted restrictions for keeping up a high comparative scale of prices in average years, how can we, in abundant years, export our surplus to countries where, in ordinary years, corn bears a lower price? We cannot do so until there has been a ruinous fall in our markets, below those average prices under which leases were taken, and money contracts made. It is the deep vibrations in the price of corn, inherent in our artificial system, which have occasioned periodical returns of agricultural distress in England. But vibrations in the price of corn are not likely to be frequent in future. Unless a succession of unusually deficient harvests should occur, the improvement and extension of tillage in Ireland will cause the price of corn in the markets of England steadily to decline. Corn laws will become a dead letter. Calamitous experience at length will force upon the slow-to-learn landed interest, the conviction, that protection from foreign competition cannot afford relief, and that the only resource of the farmer is to bring to market a less quantity of corn, and a greater quantity of those non-importable products, the power of purchasing which, increases as the consumer has less to pay for his bread; and the comparative price of which must necessarily advance, as greater freedom of trade adds to the superior efficacy of our manufacturing industry.

The agriculture of the United Kingdom is undergoing a critical change—is in a transition state. In Ireland, the transition consists in the consolidating of farms, and in an increased growth of corn—in England it consists in the abatement of tillage husbandry, and in a diminished growth of corn, upon heavy lands requiring a great expense of labour. It is probable that the ultimate consequences may be highly beneficial; but, it is certain that, unless averted by prescient legislation, the immediate consequences must be calamitous and terrific;—the renewal, in Ireland, of predial murders, and, in England, of incendiary fires. It is folly, it is madness, to suppose that political reforms, however extensive, and however otherwise beneficial, can have the effect of allaying discontent, or averting disturbance, while masses of the people, able-bodied and industrious, are cast out from their customary employments, and made destitute in the midst of abundance. Under such circumstances, the power of the magistrate ceases; there can be no security either for property or for person; no law, but the law of nature,—the law of self-preservation,—the law of the strongest. In the actual condition of the country, an extensive, systematic, and self-supporting scheme of colonisation, is the one thing needful. It is needful in the manufacturing districts, in order to preserve that due proportion between the capital employed in producing wrought goods, and the capital employed in raising raw produce; without which, prices, and profits,

and wages, throughout the seats of manufacturing industry, must decline: it is needful in Ireland, in order that the cottier tenantry, when displaced from their small holdings, by the consolidation of farms, may be provided for without emigrating into England, and reducing the wages of labour, and the scale of comfort in Britain, to the wretched level to which they have sunk in the sister Island: it is needful in England, in order to enable us to get rid of the allowance system, without increasing the pressure upon the farmer in those agricultural districts in which this system has prevailed—and in order to provide for that portion of the rural population which is becoming redundant on the reluctant soils of those agricultural districts in which the decline in the price of corn without a corresponding decline in the price of labour, renders tillage unprofitable:—it is needful, in order to remove the evils, and to avert the dangers, of that transitory state, through which the agricultural interest in both sections of the United Kingdom is now passing:—It is needful, to save the country from a servile war.

FINIS.

APPENDIX.

APPENDIX I.

An Act to empower His Majesty to erect *South Australia* into a *British* Province or Provinces, and to provide for the Colonization and Government thereof.

[15*th August*, 1834.]

WHEREAS that Part of *Australia* which lies between the Meridians of the One hundred and thirty-second and One hundred and forty-first Degrees of East Longitude, and between the Southern Ocean and Twenty-six Degrees of South Latitude, together with the Islands adjacent thereto, consists of waste and unoccupied Lands, which are supposed to be fit for the Purposes of Colonization: And whereas divers of His Majesty's Subjects possessing amongst them considerable Property are desirous to embark for the said Part of *Australia*: And whereas it is highly expedient that His Majesty's said Subjects should be enabled to carry their said laudable Purpose into effect: And whereas the said Persons are desirous that in the said intended Colony an uniform System in the Mode of disposing of Waste Lands should be permanently established: Be it therefore enacted by the King's most Excellent Majesty, by and with the Advice and Consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the Authority of the same, That it shall and may be lawful for His Majesty, with the Advice of His Privy Council, to erect within that Part of *Australia* which lies between the Meridians of the One hundred and thirty-second and One hundred and forty-first Degrees of East Longitude, and between the Southern Ocean and the Twenty-six Degrees of South Latitude, together with all and every the Islands adjacent thereto, and the Bays and Gulfs thereof, with the Advice of His Privy Council, to establish One or more Provinces and to fix the respective boundaries of such Provinces; and that

His Majesty may establish One or more Provinces in that Part of Australia herein described.

all and every Person who shall at any Time hereafter inhabit or reside within His Majesty's said Province or Provinces shall be free, and shall not be subject to or bound by any Laws, Orders, Statutes, or Constitutions which have been heretofore made, or which hereafter shall be made, ordered, or enacted by, for, or as the Laws, Orders, Statutes, or Constitutions of any other Part of *Australia*, but shall be subject to and bound to obey such Laws, Orders, Statutes, and Constitutions as shall from Time to Time in the Manner hereinafter directed, be made, ordered, and enacted, for the Government of His Majesty's Province or Provinces of *South Australia*.

His Majesty may empower Persons resident in the Colony to make Laws.

II. And be it further enacted, That it shall and may be lawful for His Majesty, His Heirs and Successors, by any Order or Orders to be by Him or them made with the Advice of His or Their Privy Council, to make, ordain, and, subject to such Conditions and Restrictions as to Him and Them shall seem meet, to authorise and empower any One or more Persons resident and being within any One of the said Provinces, to make, ordain, and establish all such Laws, Institutions, or Ordinances, and to constitute such Courts, and appoint such Officers, and also such Chaplains and Clergymen of the Established Church of *England* or *Scotland*, and to impose and levy such Rates, Duties, and Taxes, as may be necessary for the Peace, Order, and good Government of His Majesty's Subjects and others within the said Province or Provinces; provided that all such Orders, and all Laws and Ordinances so to be made as aforesaid, shall be laid before the King in Council as soon as conveniently may be after the making and enacting thereof respectively, and that the same shall not in anywise be contrary or repugnant to any of the Provisions of this Act.

Such Laws to be laid before the King in Council.

Commissioners may be appointed to carry this Act into execution.

III. And be it further enacted, That it shall be lawful for His Majesty, His Heirs and Successors, by Warrant under the Sign Manual, to be countersigned by His Majesty's Principal Secretary of State for the Colonies, to appoint Three or more fit persons to be Commissioners to carry certain Parts of this Act, and the Powers and Authorities hereinafter contained, into execution, and also from Time to Time at Pleasure to remove any of the Commissioners for the Time being, and upon every or any Vacancy in the said Number of Commissioners, either by Removal or by Death or otherwise, to appoint some other fit Persons to the said

Office; and until such Appointment, it shall be lawful for the surviving or continuing Commissioners or Commissioner to act as if no such Vacancy had occurred.

Style of Board of Commissioners.

IV. And be it further enacted, That the said Commissioners shall be styled "The Colonization Commissioners for *South Australia*;" and the said Commissioners or any Two of them may sit from Time to Time, as they deem expedient, as a Board of Commissioners for carrying certain Parts of this Act into execution.

All Proceedings to be sealed.

V. And be it further enacted, That the said Commissioners shall cause to be made a Seal of the said Board, and shall cause to be sealed or stamped therewith all Rules, Orders, and Regulations made by the said Commissioners in pursuance of this Act; and all such Rules, Orders, and Regulations, or Copies thereof, purporting to be sealed or stamped with the Seal of the said Board, shall be received as Evidence of the same respectively, without any further Proof thereof; and no such Rule, Order, or Regulation or Copy thereof, shall be valid, or have any Force or Effect, unless the same shall be so sealed or stamped as aforesaid.

Commissioners to make Orders for the Sale of Land.

VI. And be it further enacted, That the said Commissioners shall and they are hereby empowered to declare all the Lands of the said Province or Provinces (excepting only Portions which may be reserved for Roads and Footpaths) to be Public Lands, open to Purchase by *British* Subjects, and to make such Orders and Regulations for the surveying and Sale of such Public Lands at such Price as the said Commissioners may from Time to Time deem expedient, and for the letting of the Common of Pasturage of unsold Portions thereof as to the said Commissioners may seem meet, for any Period not exceeding Three Years; and from Time to Time to alter and revoke such Orders and Regulations, and to employ the Monies from Time to Time received as the Purchase Money of such Lands, or as Rent of the Common of Pasturage of unsold Portions thereof, in conducting the Emigration of poor Persons from *Great Britain* or *Ireland* to the said Province or Provinces: Provided always, that no Part of the said Public Lands shall be sold except in public for ready Money, and either by Auction or otherwise, as may seem best to the said Commissioners, but in no Case and at no Time for a lower Price than the Sum of Twelve Shillings Sterling *per English* Acre: Provided also, that the Sum *per* Acre which the said Commis-

sioners may declare during any Period to be the upset or selling Price at which Public Lands shall be sold shall be an uniform Price; (that is to say,) the same Price *per* Acre whatever the Quantity or Situation of the Land put up for Sale: Provided also, that the whole of the Funds from Time to Time received as the Purchase Money of the said Lands, or as the Rent of the Common of Pasturage of unsold Portions thereof, shall constitute an "Emigration Fund," and shall, without any Deduction whatsoever, except in the Case hereinafter provided for, be employed in conveying poor Emigrants from *Great Britain* or *Ireland* to the said Province or Provinces: provided also that the poor persons who shall by means of the said "Emigration Fund" be conveyed to the said Province or Provinces shall, as far as possible, be adult Persons of the Two Sexes in equal Proportions, and not exceeding the Age of Thirty Years.

Funds received as Purchase Money to form a Fund for conveying poor Emigrants to the Province.

VII. And be it further enacted, That no poor Person having a Husband or Wife (as the Case may be), or a Child or Children, shall, by means of the said "Emigration Fund," obtain a Passage to the said Province or Provinces, unless the Husband or Wife (as the Case may be), or the Child or Children of such poor Person, shall also be conveyed to the said Province or Provinces.

No poor Person to be allowed a Passage from Fund unless Family also conveyed.

VIII. And be it further enacted, That it shall be lawful for His Majesty, His Heirs and Successors, by Warrant under the Sign Manual, to be countersigned by His Majesty's Principal Secretary of State for the Colonies, to appoint a Commissioner of Public Lands to be resident in the said Colony, and to act under the Orders of the said Board of Commissioners as hereinafter directed.

A Resident Commissioner to be appointed.

IX. And be it further enacted, That the said Commissioners shall and they are hereby empowered to appoint such Person or Persons as they may think fit Treasurer, Assistant Surveyors, and other Officers, for carrying this Act into execution respecting the Disposal of the said Public Lands and the Purchase Money thereof, and to remove such Treasurer or Assistant Surveyors or other Officers at their Discretion, and on every or any Vacancy in the said Office of Treasurer, Assistant Surveyor, or other Officer, by Removal or by Death or otherwise, to appoint, if they see fit, some other Person to the said Office.

Treasurer and other Officers may be appointed and removed.

X. And be it further enacted, That it shall and may be lawful for the said Commissioners to delegate to the said Colonial Commissioner, Assistant Surveyor, or other Officer, or to any of them, such of the Powers and Authorities with respect to the Disposal of the Public Lands of the said Province or Provinces as the said Commissioners shall think fit; and the Powers and Authorities so delegated, and the Delegation thereof, shall be notified in such Manner, and such Powers and Authorities shall be exercised at such Places, for such Periods and under such Circumstances, and subject to such Regulations, as the said Commissioners shall direct; and the said Commissioners may at any Time revoke, recall, alter, or vary all or any of the Powers and Authorities which shall be so delegated as aforesaid. Powers may be delegated to Colonial Commissioner.

XI. And be it further enacted, That all Monies under the Controul of the said Board of Commissioners shall be received and paid by the Treasurers who may be appointed by the said Board, and who shall give Security for the faithful Discharge of their Duties to such Amount and in such Manner as to the said Commissioners may seem fit. Treasurers to receive and pay all Monies, and to give Security.

XII. And be it further enacted, That all Accounts of the said Treasurer shall be submitted to the Lords of His Majesty's Treasury, and be audited in the same Manner as other Public Accounts. Accounts to be audited.

XIII. And be it further enacted, That the said Commissioners may and they are hereby empowered from Time to Time to appoint a Secretary, Treasurer, and all such Clerks, Messengers, and Officers as they shall think fit, and from Time to Time, at the Discretion of the said Commissioners, to remove such Secretary, Treasurer, Clerks, Messengers, and Officers, or any of them, and to appoint others in their Stead. Appointment of Officers.

XIV. And be it further enacted, That every Commissioner and Colonial Commissioner to be appointed from Time to Time shall before he shall enter upon the Execution of his Office, take the following Oath before one of the Judges of His Majesty's Court of Common Pleas, or one of the Barons of the Court of Exchequer, or (in the Case of such Colonial Commissioners) before the Judge of one of His Majesty's Courts in the said Province or Provinces; (that is to say), Commissioners to take Oath.

'I *A. B.* do swear, That I shall faithfully, impar-

Initially, and honestly, according to the best of my Skill and Judgment, execute and fulfil all the Powers and Duties of a Commissioner [*or* Colonial Commissioner, *as the Case may be*,] under an Act passed in the Fifth Year of the Reign of King *William* the Fourth, intituled [*here set forth the Title of this Act*].

Salaries to be fixed by Lords of Treasury.

XV. Provided always, and be it further enacted, That the Salaries to be paid to all such Persons as may be appointed to any Office under this Act shall be fixed by the Lords of His Majesty's Treasury, and by them shall be revised from Time to Time, as they may deem expedient.

Proceedings of Commissioners to be reported to Secretary of State, and laid before Parliament.

XVI. And be it further enacted, That the said Commissioners shall, at least once in every Year, and at such other Times and in such Form as His Majesty's Principal Secretary of State for the Colonies shall direct, submit to the said Secretary of State a full and particular Report of their Proceedings; and every such Report shall be laid before both Houses of Parliament within Six Weeks after the Receipt of the same by the said Secretary of State, if Parliament be then sitting, or if Parliament be not sitting, then within Six Weeks after the next Meeting thereof.

Until Sale of Lands, Money to be raised by Bond for conveying out poor Emigrants.

XVII. And be it further enacted, That it shall and may be lawful for the said Commissioners, previously and until the Sale of Public Lands in the said Province shall have produced a Fund sufficient to defray the Cost of conveying to the said Province or Provinces from Time to Time such a number of poor Emigrants as may by the said Commissioners be thought desirable, from Time to Time to borrow and take up on Bond or otherwise, payable by Instalments or otherwise, at Interest not exceeding Ten Pounds *per Centum per Annum*, any Sum or Sums of Money not exceeding Fifty thousand Pounds, for the sole Purpose of defraying the Costs of the Passage of poor Emigrants from *Great Britain or Ireland* to the said Province or Provinces, by granting and issuing to any Person or Persons willing to advance such Monies, Bonds or obligatory Writings, under the Hands and Seals of the said Commissioners, or of any Two of them, which Bonds or other obligatory Writings shall be termed "*South Australia* Public Lands Securities;" and all such Sum or Sums of Money not exceeding in the whole Fifty thousand Pounds, so borrowed or taken up by means of the Bonds or Writings obligatory aforesaid, for the sole Purpose

aforesaid, shall be borrowed on the Credit of and be deemed a Charge upon the whole of the Fund to be received as the Purchase Money of Public Lands, or as the Rent of the Common of Pasturage of unsold Portions thereof; and it shall and may be lawful for the said Commissioners from Time to Time to appropriate all or any Part of the Monies which may be obtained by the Sale of Public Lands in the said Province or Provinces to the Payment of Interest on any such Sum or Sums borrowed and taken up as aforesaid, or to the Repayment of such Principal Sum or Sums.

Power to borrow to pay Expences of Colony.

XVIII. And be it further enacted, That for defraying the necessary Costs, Charges, and Expences of founding the said intended Colony, and of providing for the Government thereof, and for the Expences of the said Commissioners (excepting always the Purpose whereunto the said Emigration Funds is made solely applicable by this Act), and for defraying all Costs, Charges, and Expences incurred in carrying this Act into execution, and applying for and obtaining this Act, it shall and may be lawful for the said Commissioners from Time to Time to borrow and take up on Bond or otherwise, payable by Instalments or otherwise, at Interest not exceeding Ten Pounds *per Centum per Annum*, any Sum or Sums of Money required for the Purposes last aforesaid, not exceeding in the whole the Sum of Two hundred thousand Pounds, by granting or issuing to any Person or Persons willing to advance such Monies, Bonds, or obligatory Writings under the Hands and Seals of the said Commissioners or any Two of them, which Bonds or other obligatory Writings shall be termed "*South Australia* Colonial Revenue Securities," and all such Sum or Sums of Money by the said Commissioners so borrowed and taken up as last aforesaid shall be and is and are hereby declared to be a Charge upon the ordinary Revenue or Produce of all Rates, Duties, and Taxes to be levied and collected as hereinbefore directed within the said Province or Provinces, and shall be deemed and taken to be a Public Debt owing by the said Province to the holders of the Bond or Bonds or other Writings obligatory by the said Commisioners granted for the Purposes last aforesaid.

Commissioners may reduce Rate of Interest.

XIX. And be it further enacted, That it shall and may be lawful for the said Commissioners at any Time to borrow or take up any Sum or Sums of Money for any of the Purposes of this Act at a lower Rate of

Interest than any Security or Securities previously given by them under and by virtue of this Act which may then be in force shall bear, and therewith to pay off and discharge any existing Security or Securities bearing a higher Rate of Interest as aforesaid.

Lands of Colony to be deemed a collateral Security.

XX. And be it further enacted, That in case it should so happen that the said Commissioners shall be unable to raise by the Issue of the said Colonial Revenue Securities the whole of the said Sum of Two hundred thousand Pounds, or that the ordinary Revenue of the said Province or Provinces shall be insufficient to discharge the Obligations of all or any of the said Securities, then and in that Case, but not otherwise, the Public Lands of the said Province or Provinces then remaining unsold, and the Monies to be obtained by the Sale thereof, shall be deemed a collateral Security for Payment of the Principal and Interest of the said Colonial Debt: Provided always, that no Monies obtained by the Sales of Public Lands in the said Province or Provinces shall be employed in defraying the Principal or Interest of the said Colonial Debt so long as any Obligation created by the said *South Australian* Public Lands Securities shall remain undischarged; Provided also, that in case, after the Discharge of all Obligations created by the said *South Australian* Public Lands Securities, any Part of the Monies obtained by the Sale of Public Lands in the said Province or Provinces shall be employed to discharge any of the Obligations created by the said Colonial Revenue Securities, then and in that Case the Amount of such Deduction from the said Emigration Fund shall be deemed a Colonial Debt owing by the said Province to the Colonization Commissioners for *South Australia*, and be charged upon the ordinary Revenue of the said Province or Provinces.

Commissioners may sue and be sued in the Name of One Commissioner, or of their Clerk or Secretary.

XXI. And be it further enacted, That the Commissioners nominated and appointed by His Majesty as aforesaid may sue and be sued in the Name or Names of any One of such Commissioners, or of their Secretary, Clerk or Clerks for the Time being; and that no Action or Suit to be brought or commenced by or against any of the said Commissioners in the Name or Names of any One of such Commissioners, or their Secretary or Clerk, shall abate or be discontinued by the Death or Removal of such Commissioner, Secretary, or Clerk, or any of them, or by the Act of such Com-

missioner, Secretary, or Clerk, or any of them, without the Consent of the said Commissioners, but that any One of the said Commissioners, or the Secretary or Clerk for the Time being to the said Commissioners, shall always be deemed to be the Plaintiff or Defendant (as the Case may be) in every such Action or Suit: Provided always, that nothing herein contained shall be deemed, construed, or taken to extend to make the Commissioners who shall sign, execute, or give any of the Bonds or obligatory Writings so hereby authorised or directed to be given personally, or their respective Estates, Lands, or Tenements, Goods and Chattels, or such Secretary or Clerk, or their or either of their Lands and Tenements, Goods and Chattels, liable to the Payment of any of the Monies so borrowed and secured by reason of their giving any such Bonds or Securities as aforesaid, or of their being Plaintiff or Defendant in any such Action as aforesaid; but that the Costs, Charges, and Expences of every such Commissioner, Secretary, or Clerk, by reason of having been made Plaintiff or Defendant, or for any Contract, Act, Matter, or Thing whatsoever made or entered into in the *bonâ fide* Execution of this Act, from Time to Time be defrayed by the said Commissioners out of the Money so borrowed and taken up as aforesaid.

Convicts not to be transported to the Colony.

XXII. And be it further enacted, That no Person or Persons convicted in any Court of Justice in *Great Britain* or *Ireland*, or elsewhere, shall at any Time or under any Circumstances be transported as a Convict to any Place within the Limits hereinbefore described.

A Constitution to be established when there shall be Fifty thousand Inhabitants.

XXIII. And be it further enacted, That it shall and may be lawful for His Majesty, by and with the Advice of His Privy Council, to frame, constitute, and establish a Constitution or Constitutions of Local Government for any of the said Provinces possessing a Population of Fifty thousand Souls, in such Manner, and with such Provisoes, Limitations, and Restrictions, as shall to His Majesty, by and with the Advice of His Privy Council, be deemed meet and desirable: Provided always, that the Mode hereinbefore directed of disposing of the Public Lands of the said Province or Provinces by Sale only, and of the Fund obtained by the Sale thereof, shall not be liable to be in anywise altered or changed, otherwise than by the Authority of His Majesty and the Consent of Parliament: Provided also, that in the said Constitution of Local Government

for the said Province or Provinces, Provision shall be made for the Satisfaction of the Obligations of any of the said Colonial Revenue Securities which may be unsatisfied at the Time of framing such Constitution of the said Province or Provinces.

20,000*l.* to be invested in Exchequer Bills, as a Security upon the Mother Country.

XXIV. And be it further enacted, That for the Purpose of providing a Guarantee or Security that no Part of the Expence of founding and governing the said intended Colony shall fall on the Mother Country, the said Commissioners shall and are hereby empowered and required, out of the Monies borrowed and taken up as aforesaid on the Security of the said *South Australian* Colonial Revenue Securities, to invest the Sum of Twenty thousand Pounds in the Purchase of Exchequer Bills or other Government Securities in *England*, in the Names of Trustees to be appointed by His Majesty; and the said Trustees shall hold the said Exchequer Bills, or other Government Securities so long as may seem fit to His Majesty's Principal Secretary of State for the Colonies; or shall, in case it shall seem fit to His Majesty's Principal Secretary of State for the Colonies, dispose of the same for any of the Purposes to which the Monies raised by the Issue of the said *South Australian* Colonial Revenue Securities are hereby made applicable: Provided always, that if the said Secretary of State should dispose of any Part of the said Twenty thousand Pounds, a Sum or Sums equal to the Sum or Sums so disposed of shall be invested in the Names of the said Trustees by the said Commissioners, so that the said Guarantee or Security Fund of Twenty thousand Pounds shall not at any Time be reduced below that Amount: Provided always, that the Interest and Dividends accruing from Time to Time upon the said Exchequer Bills, or other Government Securities, shall be paid to the said Commissioners, and by them be devoted to the Purposes to which, as hereinbefore directed, the Monies to be raised by the Issue of the aforesaid *South Australian* Colonial Revenue Bonds are made applicable.

If after Ten Years from the passing of this Act the Population shall be less than 20,000 natural born

XXV. And be it further enacted, That if after the Expiration of Ten Years from the passing of this Act the Population of the said Province or Provinces shall be less than Twenty thousand natural born Subjects, then and in that Case all the Public Lands of the said Province or Provinces which shall then be unsold shall be liable to be disposed of by His Majesty, His Heirs

and Successors, in such Manner as to him or them shall seem meet: Provided always, that in case any of the Obligations created by the said *South Australian* Public Lands Securities should then be unsatisfied, the Amount of such Obligations shall be deemed a Charge upon the said unsold Public Lands, and shall be paid to the Holders of such Securities out of any Monies that may be obtained by the Sale of the said Lands. Subjects, Lands to be liable to be disposed of by His Majesty.

XXVI. And be it further enacted, That until the said Commissioners shall, by the granting and issuing of Bonds and Writings obligatory, as aforesaid, that is to say, "*South Australian* Colonial Revenue Securities," have raised the Sum of Twenty thousand Pounds, and have invested the same in the Purchase of Exchequer Bills, or other Government Securities, as hereinbefore directed, and until the Persons intending to settle in the said Province or Provinces, and others, shall have invested (either by Payment to the said Commissioners or in the Names of Trustees to be appointed by them), for the Purchase of Public Lands in the said Province or Provinces, the Sum of Thirty-five thousand Pounds, none of the Powers and Authorities hereby given to His Majesty, or to the said Commissioners, or to any Person or Persons, except as respects the Exercise by the said Commissioners of such Powers as are required for raising Money by means of and on the Security of the Bonds or Securities last aforesaid, and for receiving and investing the aforesaid Sum of Thirty-five thousand Pounds for the Purchase of Public Lands, shall be of any Effect, or have any Operation whatsoever. Powers of Commissioners not to commence until the Money is raised, except for that Purpose.

APPENDIX II.

TWO LETTERS TO THE EDITOR OF THE MORNING CHRONICLE.

LETTER I.

TO THE EDITOR OF THE MORNING CHRONICLE.

SIR—Hearing that the Commissioners for managing the Colonisation of South Australia, as well as the Governor and other chief officers of the Province, are to be appointed immediately, I request a place in your columns, for the purpose of addressing those gentlemen, and others about to emigrate under their guidance, on a subject of vital moment to the success of the undertaking.

In carrying into effect the South Australian Act, the point of the greatest importance, is a just decision as to the price (whether fixed or upset) which shall be required for public land.

Though fully aware of the difficulty of ascertaining beforehand what is the proper price, still I feel convinced that twelve shillings per acre (the *minimum* named in the Act) is much too low. Here follow my reasons for this conviction.

Let us begin by defining the objects with which any price at all ought to be required, and the reasons why some price may be too low.

The main objects of requiring payment for land, are two—

First,—To maintain in the colony the *most productive application of labour;* secondly (by means of using the purchase-money as an Emigration Fund), to promote *the greatest progress of colonisation.* The first object is the best *sort* of colonisation; the second, is the most rapid *extension* of that best sort of colonisation.

It seems plain, that the former of these objects is by far the more important; since the latter is, to a great extent, dependent upon it. In short, bad colonisation is necessarily slow; goodness of kind is one essential means to rapidity of progress.

Confining ourselves to the former object, in what way, by what process, I ask, do we expect that, by means of requiring a price for land, the greatest productiveness of industry will be maintained?

By means, it is commonly said, of preventing *dispersion*. But this expression is incorrect. If the mere keeping of people together, mere *concentration*, rendered industry productive, the cottiers of Ireland and small cultivators of France (who live close enough together) would raise a large produce in proportion to the hands employed: whereas the fact is, that the labour of those people is extremely unproductive. Three-fourths of the people of France, and four-fifths of the people of Ireland, work to produce food for the whole respectively, while nearly all the food of the people of England is raised by less than one-third of the whole number. And yet it seems probable that the cultivators of France and Ireland live nearer to each other, are more *concentrated*, than those of England. The productiveness of industry, then, seems not to depend upon density or concentration of people. It seems to depend upon *combination* of labour. In Ireland and France, though the labourers be concentrated, their labour is *separated* into small fractions, and is therefore weak; while in Louisiana, though the population, as a whole, be spread over an immense space, extremely dispersed, still the labour of that population, being *combined* (by means of slavery), is highly productive.

So, in any colony, though the people should be spread over a wide space, still, if they were spread in patches, and if, in each patch, labour were combined, each patch would have a large surplus produce for exchange, either with the other patches or with distant countries, and the people would be wealthy and civilized. We may, then, get rid altogether of the words *dispersion* and *concentration*, using in their stead, the words *separation* and *combination*.

There never have been in the world, more than two means by which labour was largely combined. Nature has separated all labour into single pairs of hands; and the labour of many pairs of hands has never been combined, except by means of *hiring*, or *slavery*.

The history of the world shows, that wherever land is very cheap, hired labour must be nearly unknown; and that in such cases, the only means of combining labour is, slavery: witness the bondsmen of Judea, the slaves of Greece, the serfs of Russia, and slavery revived in America at the very moment when the growing dearness of land had banished it from the greater part of Europe. Cheapness of land, the facility with which every man, not a slave, could obtain land of his own, seems to have been the original cause of

slavery. The impossibility, arising from cheapness of land, of keeping hired labour in New South Wales and Van Diemen's Land, explains the otherwise inexplicable fact, that the free settlers in those colonies, should dread above all things the abolition of the polluting convict system. But we need not multiply examples; more especially here, where the only purpose is to define accurately that which is acknowledged, though vaguely, to be true.

From all this, it appears that the chief object in requiring a price for every acre of land in South Australia, is to maintain a constant supply of *hired* labour. Whether the colonists, as a whole, settle near to each other or far apart, is of little consequence, provided that every one, having capital, shall readily obtain, and be sure to keep, hired labourers. Suppose that some settle at Port Lincoln, some at Nepean Bay, and others at the head of Spencer's Gulph; it matters not, provided that at each of those places there be hired labourers to employ in such works as require the constant employment of many hands at the same time. If this be effected, the produce will be great in proportion to the hands at work, and much of it of a sort fit for exchange with distant countries: there will be a rapid creation of capital; exchange; a home trade and a foreign trade; and this colony will surprise the world. If it be not effected, if hired labour be not constantly secured, South Australia will be a common new colony: the labour of the whole colony will be cut up into small fractions, and will be very weak; all will raise the same produce, and there will be no motive for exchange amongst the people themselves; no surplus produce for exchange with foreign countries: and instead of a rapid accumulation of capital, great part of the capital taken out, will perish for want of labourers to use it.

We must now distinguish hired labour from the persons who compose it. Though the hired labour should be constant, the persons composing it may be frequently changed; and this is the plan laid down for South Australia. For the present case, then, it will be sufficient if each body of workmen conveyed to the colony, shall work for hire until others have arrived to take their place. If the object were to preserve a labouring class *without any change of persons*, then the price of land ought to be such as would disable a workman from obtaining land, even by a life of labour. But this is not the object. It is wished, on the contrary, that every poor emigrant should become a land-owner in due time; the due time being when there shall be another labourer to take his place, without causing a scarcity of hired labour in any other part of the colony. It is clear, therefore, that the grand object of requiring a price for land, may be secured with a far lower price, if the purchase-money be used as an emigration fund, than

if it were not so used. The practical question is—What, considering that the purchase-money will be used as an emigration fund, is the sufficient price for preventing, at all times, any dearth of hired labour?

To this question no quite satisfactory answer can be given without experience of the quality of the soil, and of the kinds of cultivation for which it is suited. But, I think, it may now be shown distinctly, that twelve shillings per acre is too low a price.

Though we cannot fix the period during which it is desirable that each poor person taken out should remain in the class of hired labourers, we may, for the sake of illustration, name a period that will not be thought too long. Let us say three years; a term for which labourers will be most happy to engage here. We are bound to suppose that wages will be high; as high, at least, as in Van Diemen's Land: let us take the average, including mechanics, at 2*l.* per week. The vicinity of New South Wales and Van Diemen's Land will render provisions cheap from the beginning. The labourer will have no children at first to eat up his wages; but with a young wife (rather a help than an incumbrance), he will have the strongest motives for saving. We may presume, that the labourers will, one with another, save half their wages. In six months, then, a labourer will save 26*l.* With that sum, and with the price of a cow 3*l.*, of a sheep 10*s.*, and of new land 12*s.*, he will readily become an independent land-owner, an isolated cultivator, a half savage. But what will become of his late master? Suppose the building of the Government House interrupted, by the masons, carpenters, and bricklayers employed, having saved each of them 25*l.*, and bought land; in that case, the materials collected, whether loose or already in shape, would perish. The same thing would happen with other buildings, shore-fisheries, roads in progress, tobacco-grounds, market-gardens, and farms—with the whole industry of the colony. At first, there would be universal combination of labour in each work, and rapid production; then, all at once, none but small capitals being any longer useable, the large capitals would perish, except such portions of them as could be removed to Van Diemen's Land, for use by convict, that is, combined labour; and South Australia would become a second Swan River.

It will now be seen why I say nothing about the price of land as a regulator of the *progress* of colonisation. By means of auction you may obtain, with the upset price of 12*s.*, a far greater sum than 10,000 times 12*s.*, by the sale of 10,000 acres. Suppose you got 100,000*l.* by the sale of 10,000 acres, still it would be easy for any person to buy land for the smallest bid above the upset price, and the real power of preserving hired

labour would be 12*s.* 1*d.* per acre. The grand question is, not what is the proper proportion of people to land, not what will give the largest emigration fund, but what is the sufficient price (either fixed or upset) to prevent labourers from leaving their masters too soon, and breaking up the industry of the colony into a Swan River state. All turns upon this; it is the pivot of the scheme; the back-bone of the subject. For unless you preserve hired labour, a large emigration fund will be of no use. Get much or get little; have different prices by means of auction, or the same fixed price without auction; let the settlers be spread over a wide space, or confined within a narrow one,—all these questions are of no importance compared with the securing of hired labour by means of a sufficient price for *every* acre sold; such a price as will prevent any labourer from getting land until he shall have worked a considerable time for hire.

This is the leading principle of the scheme; a principle which is not carried out by the trifling price of 12*s.* The objections to the principle need not be noticed here. South Australia is an experiment for ascertaining the soundness of the principle; but it will not be such an experiment if the principle be overlooked. With any lower price than such a one as shall prevent labourers from quitting their employers for two or three years, the plan *must* fail; nay, it will not have been tried.

Bearing in mind the principle—what is too high a price? The answer is,—such a price as would prevent labourers from becoming land-owners *after* they had worked two or three years for hire. No price less effective than that, can be too high. Taking three years for the period, and 40*s.* per week as wages, then, if the labourer could quit his master in half a year, with land at 12*s.*, the price of land ought to be six times 12*s.*, or 3*l.* 12*s.*

Such a figure would startle the ignorant, but not much more than 12*s.* startles them. As, however, not many people have carefully examined this subject, it becomes a question, whether such a price as would give the experiment fair play, might not hinder its being tried at all, by deterring people from buying land. If one were sure that this would be the case, it would be useless to proceed with the undertaking, at least with a view to any other than the common results. Nay more, recollecting that in other colonies, the Government have power to restrict the *quantity* of land, and that in South Australia the *liberty of appropriation will be perfect*, colonisation might go on worse in South Australia than any where else. But is it possible to reconcile a sufficient price for hired labour, with the existing prejudices against such a price? I think that it is; by several means.

In the first place, the fixing of what at first would be termed so high a price, must, even by startling people, draw their attention to the great object in view. They would then see, that land would be worth more at 3*l.* 12*s.* than at 12*s.*; that, with the lower price, they might lose what they had paid, and that with the higher one (if it were high enough), they must soon gain cent. per cent.; that with 12*s.* there would soon be no capital, and, of course, no wages, and that hardly any land would possess exchangeable value; but that with 3*l.* 12*s.* (if that price be high enough) industry would be more productive, profits higher, wages higher, and all land more valuable, than in any colony of modern times. All this they would learn by being stimulated to inquire; and I can think of nothing so likely to excite their curiosity—to teach them all the advantages of a sufficient price—as the fixing at once of a price that would astonish them.

Secondly, in the United States and our colonies, where they have a *minimum* price and auction, the Government often sells land for more than 3*l.* 12*s.*, with an upset price of less than 12*s.* Close to towns, they occasionally sell land at the rate of some thousand pounds per acre. Every where but in South Australia, the land-buyer may have to pay, and (the quantity being limited by Government) generally does pay, more than the *minimum* price. The South Australian Act enables the Commissioners to dispense with auction—to require one price, and no more, for every acre sold, whatever its quality or situation. If they think a sufficient price calculated to offend, they will yet see that the declaring of that price to be the maximum in every case, is calculated to please. "All buyers," they would say, "must pay that price, but none shall pay more." Here, then, is an important makeweight against the disinclination of buyers to a sufficient price. And this consideration bears chiefly on the first start, which is an object of equal importance with the after prosperity of the colony. As the site of the first town, and seat of Government, must be fixed by Government, the land first measured, will possess peculiar advantages of position; and no one doubts that people will be glad to pay for this land much more than 12*s.* per acre. The town lots, if divided into half acres, would probably fetch 10*l.* per acre, or perhaps a great deal more. If, then, land were sold at the uniform price of 3*l.* 12*s.*, the inducement to buying the land first measured, would be greater than if it were put up to auction at the upset price of 12*s.* Thus I conclude that the 35,000*l.*, which must be paid to the Commissioners before the first expedition can depart, will be more easily obtained with 3*l.* 12*s.* as both minimum and maximum, than with a minimum of 12*s.*, and auction. And all this will hold good with respect to future purchases, either for the sites of other towns, or for supplying the daily wants of a

population, who will have wants, and means to gratify them, *only because the uniform price is sufficiently high.* With perfect liberty of appropriation, and without auction, I do believe that 3*l.* 12*s.* will not be found too high a price; that is, a deterring price. Whether it will be high enough to preserve hired, and therefore productive labour, to keep the people together (not by the restraint of a price, but by the enticements of civilization, arising from the productivenes of industry), so that all land bought of Government shall soon be worth more than what has been paid for it—this is a question which nothing but experience can determine. There will be no experiment, I repeat, if the price be obviously too low for preserving hired labour.

Lord Goderich and Lord Howick, in fixing 5*s.* per acre, as the upset price for New South Wales and Van Diemen's Land, professed to carry into effect the main principle of the Colonization Society of 1830. Either they were afraid to act on a principle which they acknowledged, or they did not understand it. The mode of selling land in those colonies, is a mockery of the plan which it professes to be. Fortunately, the Commissioners for colonising South Australia are not the sort of men to shrink from carrying out their own principle, or to stop short through ignorance of the consequences to which it leads.

I am, Sir,

Your obedient Servant,

KANGAROO.

October 20, 1834.

LETTER II.

TO THE EDITOR OF THE MORNING CHRONICLE.

Sir—The letter which you inserted on Tuesday, respecting the new colony in Southern Australia, evidently proceeds from a writer thoroughly acquainted with the subject; and if I were certain that it would attract the attention of the newly-appointed Commissioners for the government of the colony, I should not have troubled you with any remarks on a subject which has been treated in so masterly a manner by your correspondent. But the question on which he chiefly insists, is of such vital importance to all the objects of the colony, that so long as it is undecided, you will not, perhaps, grudge to devote a portion of your columns to its further discussion.

It would be far better that the colony had never been thought of—it would be far better it should be thought of no more, than

that the price for which land may be purchased in the colony should be so low as 12*s.* per acre, or even 1*l.* or 2*l.*

This must be clear to all who consider the principle on which the peculiarity of the proposed colony is founded. Other colonies have advanced slowly, because every family settles on its own piece of land, attempts to produce for itself all that it requires, and there is no combination of labour, no home market, no division of employments, because there are no hired labourers. Accordingly, the plan of the present colony is so framed as to secure a constant supply of hired labourers. It is not intended, far from it, that the labourer should continue a labourer all his life: it is desired that every labourer should in time become a landholder, but not until another labourer has arrived from Europe to take his place.

Now, your correspondent has clearly shown that if land can be obtained at 12*s.* an acre, every labourer will be able to become a landholder in less than a year. If so, there will be the same scarcity of labour as in the old colonies; the labourer, when established as a landholder, will depend solely upon the labour of his own family; there will be the same absence of combination, the same absence of a market for any thing except food, the same want of motive to produce any thing but the commonest necessaries of life, the same absence of society, of comforts, of civilization, as in the wilds of Canada. If so, it were far better that the colony should never be formed. There are enough, and more than enough, of colonies on the old absurd system.

The Commissioners, being men who understand the subject, are, doubtless, well aware of the necessity of a high *minimum* price; and if they fix it too low, it will not be for want of knowing better, but for fear lest the object should be misunderstood, and emigrants induced, by the high price of land, to prefer some of the old colonies. But this is a chance which must be undergone. Let the reasons for fixing a high price be explained as fully and as clearly as possible, to all who are disposed to emigrate; but do not, to conciliate emigrants, sacrifice the only object for which the colony is established at all.

Perhaps the Commissioners may think of compromising the matter, by fixing the *minimum* price at 12*s.* or 1*l.*, and selling all the land by auction, with that for the upset price; by which means they would obtain a higher than the *minimum* price for all the lots which are most eligibly situated. Now, the chief object of my writing the present letter is, to point out that this will not remedy the evil. So long as land of good quality can be had for cultivation at 12*s.* an acre, it is of no consequence that an acre of ground in a town may perhaps produce ten pounds. It is not the *average* price, but the *lowest* price, which determines the degree of concentration of the people. With the present artificial feelings of our labourers about property in land, they will spend their

selves out on the outer verge of the colony, where land may be had at no more than the upset price; the labourers who first go out will become landholders in the first year, and there will be but few labourers to succeed them; every colonist will be a producer of *food*; there will be no purchasers for any surplus of food, and no producers for any thing to give in exchange for food. Each family will have food in abundance, and nothing else.

The only advantage of selling the land by auction is, that a larger emigration-fund would be afforded than could be obtained at the same *minimum* price if the *minimum* were also the *maximum*. But this is a very trifling advantage.—Considering the distance of the colony, and the expense of transport, a slight increase of the emigration-fund would by no means occasion labour to flow into the colony in sufficient abundance to supply the places of the first labourers so rapidly as those places would be vacated, if the *minimum* price were too low. It would be far better to fix the *minimum* sufficiently high from the beginning, and never to take more than the *minimum* for any land whatever. Those who might otherwise be deterred by the high *minimum* price from settling in the colony at all, would be no longer so, if, by paying that price, they purchased the chance of obtaining lots which could be resold at once for treble the value.

The one thing needful, is a high *minimum* price; and this would probably be more easily obtained by renouncing the disposal of lands by auction altogether.

I am, Sir,

Your's respectfully,

A. B.

October 22nd, 1834.

FINIS.

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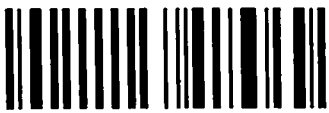
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